# Social Order

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### **UNDERSTANDING NEW NATIONS**

Thomas P. Melady

### **CULTURAL PLURALISM:**

The Religious Dimension John C. Bennett

### NOT GUILTY AS CHARGED

Edward Duff

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# Not Guilty As Charged

#### EDWARD DUFF, S.J.

J. B. MATTHEWS, executive director of the Senate Permanent Subcommittee on Investigations, the engine of Senator Joseph R. McCarthy's crusade to purge American life of communist infection, declared in July, 1953: "The largest single group supporting the Communist apparatus in the United States today is composed of Protestant clergymen." Two years later, when a scholar researching the topic requested an interview, Mr. Matthews' total reply was "No thanks."

The recklessness of the accusation the avoidance of responsible examination of the facts are, one hopes, bad memories of an embarrassing and ugly moment in our nation's history. For the facts of the Matthews' charges have been carefully sifted by the researcher who asked for the interview on June 30, 1955 and has been pursuing his sizeable study ever since. The researcher is Ralph Lord Roy and the study, a volume in the Fund for the Republic Series on Communism in American Life, edited by Professor Clinton Rossiter, is entitled Communism and the Churches. (Harcourt, Brace, New York, xiv, 495 pp. \$7.50)

At the end, of five years of research Mr. Roy offers the following assessment:

Since 1930, there has been an estimated total of well over 500,000 ordained clergymen in the United States. Of these, ap-

proximately 85 per cent have been Protestants. The proportion who have been "affiliated" with Communist efforts in any way whatever has been exceedingly small -perhaps slightly over 1 per cent. Conversely, almost 99 per cent has no such "affiliation." The number who have been Communists, or persistent-and identifiable-fellow travelers, has been minute, in spite of continual efforts to involve clergymen in the Communist apparatus. Today, perhaps twenty-five of this number remain-or approximately seven onethousandths of 1 per cent of American ministers, and most of these are not serving pulpits.

Before reaching such a conclusion, Mr. Roy scrupulously surveyed the secular, communist and religious press covering a 40 year period, examined the publications and transcripts of hearings before the Un-American Activities Committee and the Subversive Activities Control Board, searched the files of relevant library collections and of social action organizations, interviewed numerous persons (100 names are listed) and conducted an extensive correspondence. The result is a fascinating incursion into a minor phase of American social history.

"Anyone who does not understand the spirit of the thirties and forties cannot hope to have an intelligent approach to the subject of Communism in American Life," the author notes in his Introduction. But the problem is that memories are so brutally short. The

trauma that was the Depression is an experience unknown to most of the beneficiaries of the Affluent Society. (One-third of all living Americans are 15 years or younger.) It is difficult to evoke the mood of rooted disbelief of those days in the survival of the private enterprise system and the insistence that an "economy of service" must be substituted for an "economy of profits." Writing in America at the time, Father Wilfrid Parsons, the editor, speculated on the political institutions that would have to be devised to support an economy that would be dominated, as he seemed to hope, by cooperatives. The National Council of Methodist Youth in 1934 condemned American Capitalism as "unethical, anti-social and un-Christian" and declared: "We endorse Socialism, as being at present the most workable expression of Christian social ideals." The delegates wore "decision cards" bearing the pledge:

I surrender my life to Christ. I renounce the Capitalistic system based on economic individualism and the profit motive and give myself to the building of an economic order based on co-operation and unselfishness . . . . I believe that the possession of wealth is unbecoming a Christian.

Mr. Roy supplies a telling example of this mood:

A poll conducted by the World Tomorrow in early 1934 cast some light upon economic thinking among the Protestant ministers of the time. Of 20,870 participating, only 1,035, or less than 5 per cent, replied that capitalism was the system "less antagonistic to and more consistent with the ideals and methods of Jesus . . . . Another 51 per cent chose "drastically reformed capitalism" and 28 per cent expressed their preference for socialism. Significantly, Communism received only 123 votes, only twelve more than fascism. It was obvious that Communism had little appeal, but it was also clear that the Depression had pushed the American clergy generally to the left.

Professor Reinhold Niebuhr at that time was the key figure in the Fellowship of Socialist Christians, a group accepting Marx's economic analysis.

Against the public pessimism over the capabilities of a free enterprise system to achieve a tolerable order of social justice stood the claims of the great Soviet experiment. Ten years earlier Lincoln Steffens had written home from Moscow: "I have seen the future and it works!" There was the legend of the classless society, built on the brotherhood of common effort, of work guaranteed for all, of public housing and health programs, maternity and child care, of the abolition of prostitution, an energetic campaign to end illiteracy and to provide free educational opportunities to all with talent: there was the much-publicized official condemnation of race prejudice; there was, so clergymen visiting the Soviet Union reported, "a strict social morality—the opposition to excessive use of alcohol; the emphasis on clean motion pictures, made not for money nor for entertainment but for education." And then there was the fascist menace with its cynical warmongering, its erection of nationalism into a state religion and its blatant persecution of the Jews. To an extent that American Catholics have never appreciated, the Spanish Civil War, with all its moral ambiguities, confirmed the opposition of religious-minded people to the political Right.

Into this confused atmosphere moved the communists with their tactic of the United Front. Mr. Roy lists them all, both those of the '30s and the postwar proliferation. He analyzes their techniques, their purposes, their successes and their membership, including those who were duped and those, a small group, indeed, who knowingly and consistently supported the communist front apparatus. The objectivity of his research entitles the author to ask:

Whom shall we castigate—the religious idealist who generously and sincerely gave of his time and talents in the hope of halting fascism, improving race relations, preserving civil liberties, and establishing peace? Should a veil of suspicion be thrown over his life of service because, in the course of his efforts, he supported a number of organizations later listed as Communist fronts? Or should criticism instead be directed at the proud and complacent critic who boasts that he wasn't taken in once by the Commies? In too many cases he saved himself from all association with Communists by indifference to social justice.

A point, however, not sufficiently explored by Mr. Roy, involves the ease with which the exponents of the Social Gospel in Protestantism identified the goals of these united front causes with the total function of religion. He notes, almost in passing, that many Protestant clergymen

already had been influenced by the social gospel, a religious movement totally independent of Marxism in its origins, which shared with it a utopian and, to some extent, an anti-capitalist bias.

It is not without significance that Professor Sydney E. Ahlstrom of Yale Divinity School, writing in the symposium on "Religion in American Society" in the November, 1960 issue of *The Annals*, notes the denigration of the work of the systematic theologian in Protestant seminaries at that time.

By 1930 dogmatics had almost become a swearword in most American religious circles. Successive waves of rationalism, revivalism, romanticism and liberalism had almost entirely eroded the idea of a scientific discipline for studying the faith of the Church.

In such an atmosphere religion becomes instrumental to all manner of human needs, albeit many of them brutally real. In such an atmosphere the meaning of the gospel is transposed (and thus subverted) as was illustrated by the rephrasing of the Rev. Claude C. Williams, founder of the Peoples' Institute of Applied Religion.

God he defined as "a Symbol of Struggle for Freedom, Security, Brotherhood." Sin was equated with ultraindividualism; salvation with "a collective effort of the workers and other victims of this world system to save themselves from the oppressors." Jesus emerged as the hero of Williams' theology, "a class-conscious leader" who headed a revolutionary movement aimed at "fascist Rome."

The possibility that part of the explanation might rest here emerges in the sermon preached by John Haynes Holmes on January 21, 1940 and titled, "Why We Liberals Went Wrong on the Russian Revolution."



Holmes answered that in their enthusiasm for economic and social justice, liberals were ready to condone evils that 'in our own hearts we knew to be wrong.' They ignored cruelties in Russia they would have condemned elsewhere. 'Worst of all, many of us accepted tacitly, if not openly . . . that most dangerous and ultimately disastrous idea that can lodge within the human mind—namely, that the end justifies the means.'

The love affair with the Soviet Union in the postwar world was in many cases a continuation of admiration for a war ally that had borne the brunt of the Nazi attack, a sentiment expressed by an editorial in the January, 1942 Protestant entitled, "God's Red Army."

During Bishop G. Bromley Oxnam's appearance in July, 1953 before the Committee on Un-American Activities, he was taxed with participating in a rally in 1942, sponsored by the National Council of American-Soviet Friendship. Mr. Roy gives the Bishop's explanation.

Oxnam replied by reading names on the rally's letterhead: Lord and Lady Halifax, Secretary of State and Mrs. Cordell Hull and other members of the cabinet, five United States senators, Governor and Mrs. Leverett Saltonsall, Mayor and Mrs. Maurice J. Tobin, such labor leaders as William Green and Philip Murray, such editors as William Allen White, and such authors as Dorothy Thompson.

The record is one, then, of impressive social concern exploited for dubious ends, of considerable political naïveté on the pai; of a good number of Protestant clergymen. The charge of J. B. Matthews, on the record, must be set down as a calumny. Two elements of the record are, however, disturbing: the absence of a sense of an active Christian solidarity with the victims of Soviet religious persecution and a latent anti-Catholicism that seemed to feel that the U.S. foreign policy of opposing communism aggrandized the Vatican. The latter point is alluded to by Mr. Roy; it is illustrated by two examples his research has curiously missed.

#### Two examples

When the World Council of Churches held its Second Assembly at Evanston, Illinois in August, 1954, security provisions of our immigration legislation presented difficulties for the delegates travelling from East European countries. Thus, it was that, when asked to explain the restricted visa given Bishop János Péter, the State Department declared that the chief delegate of the Hungarian Reformed Church had not performed ecclesiastical functions or

occupied a pulpit since he became a church official on December 8, 1949, that he received 4,000 forints monthly, known as a "supplement of danger" from his government, a stipend generally paid to the police and to soldiers on special missions, and that he had served as an "informer" for the communist regime against anti-communist clergymen. Bishop Péter was strongly defended by Protestant leadership, despite his obvious ties with the communist regime in Budapest. As Mr. Roy reports, Hungarian Protestants ousted Péter during the revolution of October, 1956. What Mr. Roy has missed is Bishop Péter's appointment as Deputy Foreign Minister, after Soviet tanks had crushed the Magyars' bid for freedom, and his presence in New York as head of Hungary's UN delegation while Mr. Roy was finishing his book.

The second omission is more curious in the light of a special chapter on the American Church and its factions in this country. It is the case of Hamportzoom Cholokian, a penniless, illiterate unemployed shoe polisher with an incurably insane wife and five children; he appeared in Judge Edward Lumbard's Court in New York City at 8 A.M. on November 1, 1947 while the S. S. Rossia, chartered by the Soviet Consul General in a palpably politicallymotivated repatriation scheme, waited, with steam up, to sail. Judge Lumbard ruled (and 21 judges sustained him on appeals, before the Supreme Court refused to review the matter) that the three Cholokian children in a Catholic orphanage were not to have their American citizenship jeopardized by being sent to the Soviet Union. A twopage editorial in the Christian Century of March 29, 1950 saw the case as demonstrating "the forcible detention

of the children of non-Catholic parents in Catholic institutions." A national Committee for the Rights of the Cholokian Family was formed with strong Protestant backing. (The Protestant Episcopal Bishop of New York sought to have himself appointed guardian of the children at a time when someone identified as Cholokian was broadcasting from the Soviet radio transmitter at Erevan.) It is my memory that the Committee for the Rights of the Cholokian Family shared a common phone number in New York City with a communist-oriented newspaper and a similarly-tinged political group. The case is detailed in some length in two articles in America of April 29 and May 6, 1950.

How does Catholicism fare in this investigation of communism and the churches?

An inspection of the 25-page, doublecolumn index reveals the following listing of the clergy in America: Father Georges Bissonette (refused a visa as chaplain to American Catholics in Moscow); Father Charles E. Coughlin (attacked by the communists); Archbishop Robert E. Lucey (supported the Committee to Abolish the Poll Tax, listed in the Guide to Subversive Organizations of the Un-American Activities Committee): Cardinals Haves and Mundelein (their appointments were politically motivated, said the Daily Worker); Father John A. O'Brien (he protested the J. B. Matthews' attack on the Protestant clergy); Father Stanislaus Orlemanski (the Springfield, Mass. Polish pastor who flew to Moscow in 1943 to see Stalin and apologized for it to his bishop); Fathers Luis Sarasola and Michael O'Flanagan (political malcontents in their own countries who spoke on behalf of the Loyalists here

during the Spanish War); Bishop Yu Pin of Nanking (quoted in the communist press as favoring accepting help from Russia during the war with Japan "if the Western Democracies do not come to our aid"); Father Edward A. Walsh, S.I., Dean of Georgetown's Foreign Service School (attacked by a Protestant publication as fostering the Vatican line); Bishop Bernard J. Sheil (praised by the commie-controlled United Electrical Workers); Father Charles Owen Rice (damned by the same group); and Bishop Edmund F. Gibbons of Albany (he damned the same group).

In fact, Mr. Roy's discussion of Catholicism's involvement with communism amounts almost wholly to pointing to the Catholic membership in the CIO unions which the communists managed to take over, finding in the process a Catholic to front for them. Thus, we read about Albert I. Fitzgerald and the United Electrical Workers, Joe Curran of the National Maritime Union, Mike Quill of the New York local of the Transport Workers (why not Don Sullivan of the Newspaper Guild of the late '30s?). But this is odd business in a book about communism and the churches in a series that will presumably have a study on communism and the trade unions. The inclusion of such material, on the other hand, raises a persistent question: Is the union movement the exclusive form of social action that has interested American Catholics? Were we not gulled by communist dupery because we were not participating, in any proportional fashion, in movements for peace, to aid share-croppers, to uphold civil liberties, to lower immigration barriers, to improve race relations?

# Cultural Pluralism: The

NE OF THE results of the discussion of religion in the recent campaign is that sometimes the impression has been created that religion is irrelevant to public life. The candidates on both sides were so eager to disengage themselves from religious controversy that they stated their case in a way which easily leads to the conclusion that religion is a private matter which has no effect, one way or another, on any citizen's opinions or commitments in the sphere of politics. Rejection of political sermons by Protestant preachers and of political directives from Puerto Rican Bishops, while entirely justified, was often put in such a way as to cause people to forget that voting is a moral act, as the Bishops said. Father Gustave Weigel in his illuminating lecture that was very reassuring to non-Catholics seemed to some readers, both Protestant and Catholic, to separate too completely the moral law from the positive law of the state. I believe that Father Weigel's position can be clarified so that this impression can be removed but the fact is that many did understand it in that way.

However, there must be some mistake, because each of the three religious communities is obligated and inspired by its faith to seek to influence public life. The principle of separation of

church and state has not usually meant in this country that churches and synagogues should keep hands off the decisions and policies of the state. Each religious body has had its own way of relating itself to these decisions and policies and has had its own emphasis in regard to the range of issues in which it has been interested. But Christians and Jews. Protestants and Catholics cannot limit religion to the sphere of private life. And politics are the instrument for making many of our most fateful decisions in public life; decisions which may have profound moral influence on private life as well.

Father Weigel in one of his sentences has given us a clue that may help provide an initial answer to the question: "What difference, then, does religion make?" After saying that the Catholic officeholder is not religiously bound to use the law of the land to impose the distinctively Catholic view of the moral law on the community as a whole, the Jesuit theologian says: "here he [the officeholder | takes his lead from the consensus of the community." This is quite right but the next question that we all must face is this: what influences form the consensus? I believe that the primary task of our religious communities and institutions is to raise the level of the consensus. It is this which may

# Religious Dimension

#### JOHN C. BENNETT

create better possibilities for political decision. It means a more sensitive public conscience on the most important issues. This dimension of our work is sometimes called "pre-political" but it is relevant to politics.

Our three religious communities differ on some matters of public policy. (I refuse to say "three faiths" though I recognize that sociologically the reference to three faiths may be permitted. I refuse to admit that Catholics and Protestants represent two faiths and, while it may be appropriate to think of Christianity and Judaism as two faiths, the kinship between them should be emphasized as Pope Pius XI did when at the height of the Nazi terror he said that we are all "spiritually Semites.") There are a few areas on which Protestants and Catholics differ and there will continue to be tensions between them. In this country I think that the main differences between us are on medical ethics, on problems in the sphere of sex and marriage, especially those that involve birth control and divorce, on censorship, and on issues connected with education. There are differences among Catholics on the use of the law in regard to some of these questions which they regard as moral questions. There are shades of difference among Protestants on the educational issues. Jews and Protestants are close together on most of these matters though Jews are more united than Protestants in their objection to experiments which relate religion to public education. These various differences are important and we should not soft pedal them in interreligious discussions but surely the areas of agreement are far more important. If this were not the case, our pluralistic experiment as a nation might not be viable.

Before I call attention to some of the areas of agreement, I must explain that on the larger public issues no one of our religious communities is agreed within itself. This creates its own problems but I think that there are two things that can be said about it. 1.

Dr. Bennett is Reinhold Niebuhr Professor of Social Ethics and Dean of the Faculty at Union Theological Seminary, New York City; be is also co-editor of Christianity and Crisis, "A Christian Journal of Opinion." Dr. Bennett's article is the text of the first of three lectures on interreligious relations sponsored by the National Conference of Christians and Jews under a grant from the Morgenstern Foundation. The next speaker in the series will be the Most Reverend John Wright, S.T.D., Bishop of Pittsburgh.

Whenever disagreements cut across religious lines, they cease to divide the nation as deeply as would be the case if social and political conflicts coincided with religious differences. We may be thankful for the overlapping of our three religious communities, however much there may be differences within each of them. 2. My second comment is that our three traditions do bring common moral norms to our society by which not only our nation but also our churches and synagogues are themselves judged. The fact that all three of our communities have the Old Testament in common is of vast importance for American life even though it is quite true that Christians and Jews differ in their ultimate interpretation of the Old Testament. In spite of these differences the prophets of Israel are masters of us all in our interpretation of public morality. The mind and heart of Abraham Lincoln were formed by the Bible. He was not a member of a church and yet it can be said of him, as Reinhold Niebuhr has said on many occasions, that he was America's greatest theologian. He was able to express dimensions of faith which are Biblical, which can inspire us all, and which can correct many of the wrong uses of religion in each of our religious communities. His devout recognition that the nation lives under the judgment and mercy of God, Who transcends it and Who cannot be possessed or used by it, and his understanding in the midst of a great conflict that neither side can claim God wholly for its cause, bring to the fore religious insights which belong to all three of our religious communities. How different from the common habit of using religion to support the pride and selfrighteousness of the nation.

Yes, there are significant differences

on public issues within our religious communities. I know that among Protestants there is the difference between economic individualists who identify the practices of an earlier, unreformed capitalism with a Protestant ethic and there are those who have a strong sense of the community and of the moral obligations and opportunities of a community to direct its economic activities in the interests of social justice and of the welfare of the people as a whole. There are all shades of differences among Protestants here. I find myself much closer on these issues to many Catholics and Jews than to many of my fellow Protestants. On the great issues of the cold war, on judgments concerning the best emphases and strategies in dealing with communism, on the relative place to be given to the direct effort to reduce the danger of war through negotiation, through forms of disengagement and through disarmament, on the way in which the issues of internal security and civil liberties are weighed and related to each other there have been deep differences within each of our religious communities.

#### Common purposes

What are some of the moral norms and purposes which all of our religious communities bring to our national life? Each one of us, if he were to answer that question, would do so in his own distinctive way in the content of his own faith but my effort to give my own answer may stimulate your thought about your answers.

Churches and synagogues together should remind the national community that it belongs to God and is responsible to Him, that its own will is not the

highest law. There could be arguments among us about the status of our knowledge of the transcendent, divine righteousness. There are among Protestants rebellions against stereotypes of the natural law, partly because non-Catholics tend to believe that Catholics know too much about the natural law and include within it injunctions which are not supported by the consciences of many Protestants or Jews and partly because of the individualistic form of natural law (so akin to the Catholic understanding of natural law) that for generations prevented the American courts from recognizing the needs of an industrial society. But this rejection of stereotypes of the natural law should not mean the rejection of the righteousness of God which transcends our own righteousness. Surely, there is a moral order which human laws do not create even though we may not be as optimistic as most of our predecessors about the dependability of our rational knowledge of it. There are differences here but they should not obscure what is common to our traditions in contrast to a secular moral relativism. It is well to be reminded that John Calvin for all of his dark view of fallen man had remarkable confidence in man's capacity to create and preserve a decent civil society, a capacity that was a gift of what he called "common grace." He even believed that all men could be trusted to know a great deal about the moral law. He refers to

That perpetual consent of all nations, as well as all individuals, to the laws, because the seeds of them are innate in all mankind, without any instructor or legislator. He says that:

Man is naturally a creature inclined to society; he has also by nature an instinctive propensity to cherish and preserve that society; and therefore we perceive in the minds of all men general impressions of civil probity and order. Hence it is that not a person can be found who does not

understand that all associations of men ought to be governed by laws, or who does not conceive in his mind the principles of those laws.<sup>1</sup>

I confess that is a degree of confidence in the natural knowledge of the moral law which I do not share. Our world is a much more broken world than Calvin's and the empirical grounds for questioning the reality of the perpetual consent of all nations to a transcendent law make me less optimistic than Calvin. Yet, I do believe that the objective moral order does press upon us even when we do not recognize it.



Some of us may be more pragmatic than others as we face particular problems but it makes a vast difference if our pragmatism of method is our way of relating to each other in particular circumstances moral values and goals and principles which all have a claim upon us but which are in some measure in tension with each other, or if it is an unguided movement within a flux which includes no moral landmarks except the wills of men. Protestant and Jewish pragmatism and Catholic prudence may not be as different from each other as differences in theoretical frames suggest.

Our traditions call us to a radical sense of justice which is not merely response to recognized rights and claims but the raising of the opportunities of all human beings everywhere to establish neglected rights and claims. Churches

<sup>&</sup>lt;sup>1</sup> Institutes of the Christian Religion, Bk. II, Chap. II, par. xiii.

and synagogues alike are committed to a concentration on the neglected, the exploited, the defenseless people. We are committed to the stranger who is also the neighbor, to the poor who are sold for a pair of shoes, to the least who are hungry and thirsty and naked and sick and in prison. There is in all of our traditions a bias in favor of the victims of society, in favor of all who cannot defend themselves. One of our problems arises when the defenseless of one period over-defend themselves in the next! Sometimes we are exhorted to have done with this democratic levelling process because what is needed most is excellence. And yet we cannot even discover the sources of excellence until we raise up the people who have never had a chance to develop their capacity and to live a fully human life. I think that the greatest contemporary Protestant theologian, Karl Barth, puts the matter very well when he calls for commitment to the human, to man as against systems, ideologies, causes. As he says: "man has not to serve causes; causes have to serve man."2

We must defend the human being in God's name. This means that we must work for genuine equality of opportunity for all children of all races and classes and nations: that we must be concerned that people be protected against arbitrary government; that we must not allow the hostility against the government or the prevailing ideology in another nation to hide the essential humanity of the people of that nation, including the people who believe in the ideology which we oppose; that we must be as much concerned to prevent nuclear war as we are to prevent the extension of communism; that we must work for the humanizing of punishment and reclamation of offenders, young and old; that we must seek conditions favorable to the stability and health of the family.

You may say that these are objectives that belong to the area of platitude and that the real questions have to do with method. We may indeed hope that such is the case. But there is a difference between the uses of platitude. One use is to emphasize it as an objective and seek to find an effective method by which it can be realized. The other is to use it as a cover for the lack of concern about relevant and effective methods. When a nation really agrees on such goals as these; when it cares about them; when it wills the necessary means to them, it is much blessed. In so far as our nation does agree and care and will, it is in large measure the effect in our corporate life (in what may be called our collective unconsciouswhether or not that is technically a good expression) of our religious traditions.



I now want to guard against a misunderstanding that is always very near whenever we talk about the common elements in our religious traditions in an interfaith setting. I make a distinction between a moral and religious common denominator and what we might call the area of overlap in the influence of our three religious communities and their traditions.

When we think in terms of a common denominator the danger is that this will become detached from its

<sup>&</sup>lt;sup>2</sup> Against The Stream, S.C.M. Press, London, 1954, p. 35.

sources in the particular traditions, that it will become something that exists in and for itself, that it will then be given a kind of American sanction and become the fourth religion about which Will Herberg and many other critics of our culture speak. There is a danger that interfaith discussions may encourage this secularized fourth religion, that it may become an American religion, that it may lose both the inspiration and the correction which are available in each of our traditions.

In contrast to such an emphasis on the common denominator as a thing in itself. I think that we should emphasize the continuing influence of our churches and synagogues as they teach and live according to their distinctive traditions. There is a moral consensus but this always needs to be renewed and corrected by the historic faiths in their fullness. Let each community of faith be true to itself, let each community of faith be dynamic as it touches our common life and let us rejoice that there is this area of overlapping that enables us to live together with much cooperation and mutual understanding on the level of moral decisions in the civil order. The continuous education of the American conscience by our three religious communities is our common responsibility. In emphasizing differences in traditions I am not suggesting that we should make a virtue of differing from one another in religious matters but the fact is that we do differ and-it is not helpful to try to hide our differences and it is better to live within a whole tradition than in that part of it which can be held in common with those in the other two religious communities. The sources which we have in common are not in themselves enough to nourish our minds, our hearts or our consciences.

#### Freedom of the spirit

One special contribution to the freedom of the spirit in our culture comes from the very fact that churches and synagogues are under no local or national authority. They exist in response to a divine revelation which local or national public opinion cannot control. They have close ties with churches and synagogues in other nations. Speaking as a Christian, I see a great resource for human freedom in the fact that no church is a true church unless it lives as part of a universal Church. The Roman Catholic knows where the center of that universal Church is; the Protestant may seem vague at this point. But religious freedom includes the opportunity of any church to preserve its ties with the larger Church in ways consistent with its own doctrine and policy.

In much of the discussion of the danger of having a Roman Catholic president the assumption has been made that being a Protestant Christian is an entirely innocuous occupation and that there could be no conflicts of conscience between a Protestant and the demands of public office. There is always the possibility that any conscientious officeholder may find that what is required of him stretches the limits of the morally tolerable in the light of his religious convictions. A factor which reduces the occasions for such a conflict is that faithfulness within the context of one's public responsibility in the light of the limitation of real alternatives in a situation is itself one of the moral considerations which should guide the conscience. To withdraw from a situation in order to preserve one's own integrity and to leave the hardest actions to others may not be as high a road morally as it appears on the surface.

But in rapidly changing and unpredictable circumstances conflicts may arise that call for withdrawal not only to preserve personal integrity but to warn government and nation against the results of disastrous decisions. Perhaps within the area of preparedness for nuclear war such an issue may appear even when one has rejected all stereotyped forms of absolute pacifism or nuclear pacifism. The prospect of an irreconcilable conflict between a man's religion and his public responsibilities may be quite remote in this country but it is part of the business of the churches to keep the possibility of such a conflict alive. Freedom of conscience, without which the most precious elements in our American heritage would be lost, is sustained by membership in a religious community which is not identical in members or in traditions or in sources of authority with the national community. It is for this reason that totalitarian governments always try to suppress or to domesticate the churches. They know that it is much easier to control individuals one by one than a religious community that lives by a different faith than that of the state and which has the corporate toughness to resist the state.

#### Three specific problems

I shall now speak of three specific problems which are often raised when we emphasize the influence of our religious communities on our common life. The first is the problem of how far a religious community should use its political influence to enact its own specific moral convictions into the law of the state. The second is the relationship of our religious communities to partisan politics in an election. The

third is the role in a religiously pluralistic society of those who reject the traditional forms of religion.

It is a part of our religious liberty in a pluralistic society to be free to convert others to convictions which we regard as essential and this includes the moral convictions which separate our religious communities. I refer to convictions on such matters as birth control, the permissibility of divorce under some conditions and sterilization. Also in a somewhat different context we have differences concerning the regulations of gambling and the sale of liquor. Each religious group has a right to seek to persuade others in regard to all of these matters. On the other hand, I believe that each community should be very restrained in its approach to legislation that is designed to enforce particular moral convictions on the whole community.

There is a broad consideration that applies to all legislation that is intended to control personal moral behavior. Where enforcement of the law depends on the active cooperation of most citizens in their daily decisions we soon come up against the limits of what law can accomplish. An alert minority may succeed in enacting a law which gradually secures support on the basis of its harmony with many public interests but unless that support is forthcoming it is likely to fail. The situation is most favorable where the law becomes almost self-enforcing through the publicized activities of institutions. There can be cheating in the enforcement of the federal laws which have set up the system of social security but these laws in the main create routines that are accepted by all parties. Even where there is very general agreement about a question of personal moral conduct, the religious

group or the moralist must recognize the limits of law and religious communities should not seek to turn all sins into crimes under the law of the state. Dean Roscoe Pound makes this point when he quotes these words from a fifteenth century Year Book: "Some things are for the law of the land, and some things are for the chancellor, and some things are between a man and his confessor." <sup>3</sup>

Whatever may be said about the persuading of the community in order to win it to the special convictions of a particular church, the most important emphasis now should be on the restraint of every religious group in not using its political power to impose its moral convictions on the whole community against the will and the conscience of other groups. Protestants have often been offenders here. This was true of Prohibition, though this may have been more against the will than against the conscience of others. It is also true of some Sunday laws as they affect Jews. Non-Catholics today welcome the willingness of many Roman Catholics to say that, while they adhere to their moral convictions about the use of contraceptives as a part of the discipline of their own church, they doubt if it is socially desirable to enact these convictions into the law of the state. They often say that the laws in Massachusetts and Connecticut were enacted by the Protestant conscience in the 19th century, and it is a fact that they have not sought to enact such laws in other states. Today the Protestant and the Jewish conscience is generally opposed to those laws and Protestants and Jews are right in asking Roman Catholics to withdraw support from them.

#### **Religion and Politics**

What should be the relationship of religious bodies to partisan politics during an election campaign? In what I have said about the influence of religion upon political decision I have spoken of the indirect influence that is pre-political, that affects the moral assumptions and scale of values in the community. Does this mean that during an election churches and synagogues should keep hands off entirely. Is any interference in a particular election by religious leaders or religious bodies wrong in principle and incompatible with democracy? During the recent campaign much was said to indicate that the answer to this question must always be "yes." But I think that we should avoid allowing the exigencies of one situation to box us in so that we are not free to recognize forms of action which may be required in another situation. The misuse of pulpits in connection with this election has caused many things to be said which threaten the freedom of the pulpit if an issue of grave moral importance is at stake in an election.

Our American party system with its two inclusive parties which do not represent doctrinaire positions make it natural to assume that churches should always be non-partisan. Though there is a difference in emphasis, especially on economic matters, between the tendencies of the two major parties, each party does include a wide spectrum of opinion even in that sphere-what with Harry Byrd and Paul Douglas in one party and Barry Goldwater and Nelson Rockefeller in the other. It would be absurd to suggest that a Catholic or Protestant or Jew should, as such, be a Democrat or a Republican. Yet, it is conceivable that in a political contest

Law And Morals. University of North Carolina Press, Chapel Hill, 1924, pp. 66-67.

within one of the two parties or even in a local contest between the parties an issue might arise that would call for guidance from churches and synagogues to their own members. A primary election in which one of the candidates is committed to white supremacy and segregation might be such an occasion.

I see no reason why we should deny that the leaders of a church should never enter into a political conflict. The distinction that has been made by Vatican circles between what is appropriate in the United States and what may be appropriate in Europe is justified in part by the difference between our inclusive parties and the multiparty system in European countries. Should the churches not have acted to warn their members against supporting the National Socialist party in Germany in its early days? And should it not be on the alert to warn against any political movement or party that is dedicated to anti-Semitism, to white supremacy, to totalitarianism of the left or the right, or to an aggressive militaristic policy. I have spoken only of guidance by a church to its own members. And even in the extreme cases of which I am thinking such guidance should involve condemnation of a political movement rather than the positive identification of the church or of the symbols of religion with a political movement. I think that it is most unfortunate if any such guidance is combined with threats of a religious penalty and, in most cases where such a threat has been made in recent years, it has not been carried out. The ambiguity about whether or not disobedience to the directives of the Puerto Rican Bishops in the recent election was a sin was one reassuring aspect of that event. I have been speaking of extreme cases and I cannot foresee a

situation in which any such case might arise in a contest between our two major parties. The right of a church to make political judgments should not be denied but great restraint is required because, when the passions of politics are combined with the passions of religion, a nation becomes very sick indeed. The devil gets into political life when citizens of the same state are separated by absolute differences of conviction. Even if an absolute difference on one issue does arise, it is a source of healing if those same citizens belong together on other issues in the same political organizations. For this reason religious parties are to be avoided at all costs.

There is one dimension of our problem that I have not mentioned: the relationship between our religious communities and our fellow citizens who reject all traditional forms of religion. Religious liberty includes the liberty to reject religion. It includes the liberty to teach atheism. Religious pluralism must provide room for the many forms of humanistic secularism which are often very critical of all three of the traditions represented here.

Our institutions depend upon freedom of thought and expression which is not limited by the boundaries of any of our religious communities. If we do not respect the mind's right to come to its own conclusions without invoking any external pressures to keep it from moving into territory that is foreign or even repellent to us, we do violence to the mind's integrity. Even if we may be taught by our traditions that the highest freedom is freedom to believe what is true, if this adherence to truth is dependent upon manipulation and subtle intimidations it is hollow and unreal. Religious freedom which is fulfilled in the freedom to believe often begins as

freedom to deny and it is soon corrupted if on the way it is kept on a safe path by coercion of any kind. This does not mean cheap tolerance of all ideas but it does mean a deep concern to refrain from violence to the conscience of any man. When the formula, "error has no rights," is translated into the formula, "consciences in error have no rights," it will be generally rejected by the representatives of all of our religious communities.

The guardians of religious traditions must take a step beyond this formal admission that religious liberty includes liberty to reject all of the forms of historic religion. They should all confess that each one of our great traditions is often found in distorted forms and quite naturally produces the revulsions which lead many honest souls to atheism or to some non-theistic Humanism. Each one of our traditions is so many-sided that some adherents, even whole religious institutions can come to embody one emphasis at the expense of another and the result may be a great distortion. There are forms of religion which are an affront to the minds and consciences of many persons and, if they do not discover other expressions of religion, they are likely to reject all traditional forms of religion because of their honesty and of their moral sensitivity.

I have recently read a history of the ways in which many of our churches defended their faith against each of the emerging sciences. As one looks back at the history, it might seem to be a miracle of Providence that they survived their own forms of self-defense. The ways in which religion has been used to give moral sanction to injustice, to slavery and to segregation, to the exploitation of the workers under early capitalism, to an uncritical national im-

perialism, to most forms of bigotry, have created anti-clerical and anti-religious movements and they have caused many persons to develop new and unconventional forms of religious expression. The churches can always learn a great deal from their critics and even from their enemies. Atheists are often the product of false images of God or of the efforts of religious communities to capture God for their own purposes. I doubt if there is a greater failure in the life of the Christian churches, Catholic and Protestant, than the failure to understand in time the moral meaning of the industrial revolution and their tendency to support the rich and the powerful against the victims of early capitalism. If the churches had not failed at this point, humanity might today be spared its deep spiritual conflict between the two worlds. There would be many conflicts international and social but the deepest estrangement among men today is in large part a result of the response of Marxist atheists to the moral failure of Christians.4

<sup>&</sup>lt;sup>4</sup> A Note: In 1948 the Assembly of the World Council of Churches said with great candor: "Christians should recognize with contrition that many churches are involved in the forms of economic injustice and racial discrimination which have created the conditions favorable to the growth of communism, and that the atheism and the anti-religious teaching of communism are in part a reaction to the chequered career of a professedly Christian society."

In that same year the Bishops of the Anglican Communion at the Lambeth Conference said: "We have to admit that the Christian Church throughout the formative decades of the industrial era showed little insight into what was befalling human society. It was still thinking in terms of feudalism. The Church of England was identified almost completely with the ruling classes, as were the Churches in Central and Eastern Europe. Its own economy had the marks of a dying feudalism or latterly of a bourgeois society. Apart from provision for the education of the poor and the work of some Churchmen for the emancipation of slaves and of children in the factories, it was slow to take the initiative in the desperate fight for social justice."

This deep conflict is not present within our country though our decisions and policies are conditioned by it. American religious communities have great difficulty in relating themselves to the revolutionary impulses in the uncommitted world. More broadly, I believe that we who represent the great historic religious traditions of the West should realize that our own communities often need to be challenged by the secular critic or the religious rebel. We are the better for being put on our mettle in this way. I doubt if Christians, Catholic or Protestant, would have ever done enough to defend the religious liberty of all men if there had not been this kind of challenge stemming from the Enlightenment. I doubt if Christians, Catholic or Protestant, would have come to care about the intellectual freedom of science, if scientists had not often defied religious authorities and won this freedom for science. I doubt if the whole modern democratic movement that has corrected so much of the neglect and the injustice of all history and has given new opportunity and status to the working classes, to the colored races, to the dependent colonial peoples, even to women, would have succeeded as much as has been the case unless many an attack had been made upon religious institutions. I do insist that many of the inspirations that have led to these gains have come from our religious traditions and that every secu'ar movement requires correction that it is not likely to provide from its own resources. But those of us who represent the great institutions of religion always have a dual responsibility: to bear witness to the truth that we have seen and to repent of the ways in which we and our institutions have obscured it. If we look out upon our own coun-

try today in this spirit, we will not merely in a grudging way allow for the freedom of our neighbors who oppose our traditions to be true to their own minds and consciences, we will also admit that our religious institutions have often caused them to fail to understand our truth and as of now their witness is often needed to correct our continuing failures.



This recognition of the role of the rebels against our religious traditions in our culture should not mean that we ourselves are tepid in our own religious loyalties. We should know that every religious tradition has its own characteristic distortion and that rebellion against them may be a service to our traditions, to our churches and our synagogues. Our faithful witness should do justice to those who have been alienated by these distortions. They are often closer to the truth which is committed to us than the complacent believers whose minds have never been disturbed by distortions of that truth. Yet without these precious traditions the consciences of many rebels would be less illumined and without them our culture would lack transcendent judgment and inspiration; it would tend to represent a flat contemporaneous materialism with little to challenge either the cults of prosperity and pleasure or the interest of those who possess the dominant forms of power.

## **AUTOMATION -**

### Five Years Later

NEIL HURLEY, S. J.

THE WORD "AUTOMATION" is an umbrella concept under whose protective covering a host of distinctly different technological phenomena take refuge. One could certainly do worse than to take the working definition of the First International Automation Exposition in 1954:

. . . the substitution of mechanical, hydraulic, pneumatic, electrical and electronic devices for human organs of observation, decision and effort, so as to increase productivity, control quality, and reduce costs.

Despite the fact that automation was at the time well over 21, it was not baptized officially until the 1950s. Automation had been employed in chemical process plants since the 1920s: it was not until electronic research under military auspices uncovered the possibilities of "feedback control" for avionics and guided missiles, however, that the technological "mystique" of automation swept the industrial design departments of the large corporations in America. From there it was but a short step to fears of "workless factories" and "industrial robots." Journalism popularized the phenomenon and in the year 1954-1955 helped to implant the newly-coined word firmly in the minds of Americans.

When the first heavy smoke-streams

of sensationalism cleared away, it was obvious that automation was more an evolutionary phase in the technological development of man than a second industrial revolution. One could, of course, justify instrumentation control of an electronic nature as being markedly different than the mechanical processes of the first industrial revolution and go on to say that the latter produced the machine as an extension of man's hand while the former uses "electronic computers" as an extension of man's brain. Despite the claims made for "electronic brains," however, one would have to admit with most electrical engineers that none is capable of an original thought. Now that the flush of excitement and novelty has subsided, one reads very little on automation except in the technical and trade journals. The frantic protests of the unions against threatening unemployment seem muted; the manufacturing and trade associations are fairly silent about the economic millenium that automation would usher in; gone, too, are the anxieties of the public and the government as expressed in the 1955 investigation by a joint House-Senate investigation. Looking back five years on the re-

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sults of continuing introduction of automation in American plants and offices, one notes the greater objectivity that the perspective of the passage of time permits. There are, however, several interesting outgrowths of automation which popular utterances on the subject have overlooked; these are worth reviewing briefly.

#### **Prerequisites**

To be able to assess fully automation and its impact on American society, it is necessary to have some acquaintance with 1. the scientific vision in which automation was cradled; 2. the transition from pure research designs to military and later to industrial application; 3. the necessity for a guaranteed stable market to justify heavy automation investments; 4. the neglect of considerations of the consumer; 5. the expansion of the economy's tertiary sector, that sector which deals with services rather than with agricultural products or machine-produced goods.

No one who has ever attended an automation conference for research and design engineers will ever forget the religious dedication and enthusiasm that went into such technical achievements as the further "miniaturation" of transitors and the realization of a fully automatic factory. The men behind automation are highly trained specialists, whose competence in their field leads to a justifiable pride and ambition in mastering the material universe. Unfortunately the great majority of automation's critics rarely see the beauty of physical and mathematical concepts. (Wasn't it Edna St. Vincent Millay who wrote: "Euclid alone has looked at beauty bare."?) A breakthrough on the scientific front is always a fascinating event. In the case of automation this

breakthrough, powered by "communication theory" and cybernetics succeeded in lifting the idea of an automatic factory out of the realm of science fiction.

As with the case of most scientific breakthroughs, the funds for further research came from the search for practical applications. Under the forced draft of military requirements, scientific designs for providing, accumulating and storing information became realities. Greater precision and control in radar and sonar led engineers to consider the applications of "feedback control" to industrial processes. Wherever it was proved that increased output per employee and long-term savings in capital investment were the results of automating a particular process, management financed the necessary re-tooling. This was most dramatic in the automotive industry. It was with the transition from government-sponsored military research to industrial applications that the ethical and social problems attendant on automation programs arose. In European nations with an older tradition of state surveillance and socialism, automation has been more carefully controlled than in the U.S.A. where as a rule new management policies meet with less government interference. In addition, large capital reserves and a huge domestic market were at hand: one can easily understand the rapid mushroom growth of automatic in-line productive processes.

Nowhere can one see a more practical instance of what David Riesman calls the "unintended consequence" than in the rise of automation in the mid-1950s. Reading the statements of the National Association of Manufacturers, for example, one discovers the typical, if not

universal, attitude of corporations that sought to profit from automation. A NAM booklet on the subject read: "With the cooperation of Americans in all walks of life, our standard of living will skyrocket, prices drop, markets expand and the tempo of prosperity accelerate." The exercise of countervailing power on the part of labor unions was necessary to publicize some of the short run displacements automation would introduce: lay-offs, job-changing and job-retraining. A full view of automation's effects on the entire social structure of America was only to be met with in academic journals and in the hearings of congressional investigations led by Representative Wright Patman of Texas.

In his excellent trail-breaking book: Automation: The Advent of the Automatic Factory, John Diebold discussed the new technology soberly in terms of redesigning products and processes (i.e. analyzing production in terms of functions rather than in terms of steps now being performed). Still one of the most illuminating books on the subject, Diebold's work was geared for the businessman and is consequently typical of most discussions of automation in its initial phase. Studying the working definition of automation provided at the beginning of this article, one notes that it is a management concept. Nowhere is mention made of product and process design for the consumer. The bulk of literature concerns the attempts of engineering firms and technical consultants to reach management; necessary qualifications were added, of course, to avert the heavy fire of criticism from organized labor. The buying public is less well-organized; the profit motive forces which are at work in our society have consequently directed technological re-thinking to sales promotion objectives and not to the needs of the final consumer.

An excellent illustration of this can be found in an account from The Wall Street Journal of February 9, 1955. A rug manufacturer with a record of losses introduced automation and thereby raised the average worker's production from an annual 300 yards to 400 yards of carpeting. With the annual savings of nearly \$4 million in labor costs the company increased the ratio of salesmen from a salesman for 145,000 yards to a salesman for 90,000 yards. In other words, sales man power per yard had been raised 50 per cent while production man power had been cut by 25 per cent. Here the savings from automation were absorbed in more intensified competitive sales' effort rather than in lower prices.

#### Influence on marketing

Automation has exercised a profound influence on marketing practices. Whereas traditionally production has remained sensitive to vacillations in market conditions, the heavy capital investments which automation entails can only be justified when a stable market is assured for the uninterrupted use of unwearying machines. The net result is the tendency to plough automation savings into sales promotion. The efflorescence of the American advertising industry in the past 15 years is due, in large measure, to efforts of large-scale corporations to increase wants. Since automation is at home in an expanding economy, it is in the interest of management to keep the economy expanding. That the consumer has also benefited cannot be denied. The question here, however, is: could not certain undesirable "unintended consequences" be minimized (if not eliminated) by incorporating more social wisdom in automation programs in an industry or in a large sector of the economy so that the customer would benefit more directly from the savings of automation.

#### The consumer's status

How has the consumer in America fared since 1954-1955 when automation was heralded as the advent of an economic cornucopia? One must admit that the expanding economy has indirectly benefited all and that automation has played no small role in contributing to this increased standard of living. Closer analysis of automation as a management concept, however, reveals that the process has been used in accordance with traditional competitive practices. Auto-regulating and self-controlling instruments do what they are told; more often than not these devices have been told to build rapid obsolescence into the products they so tirelessly roll out. True. there is an obsolescence which is the result of new products such as the synthetic goods achieved in the laboratories of chemical and plastic industries. This is not the type of "forced obsolscence," however, which the trade press of the past decade has criticized when it has printed complaints from retailers about the quality depreciation of household goods. One retailer had this comment: "There is no such thing any more as a consumer durable. They are all semidurable with the accent on the semi. We give a range seven years, a refrigcrator five and some of these new automatic washers not even three years." Because of business' concern to have a stable market, automation's sunny promise of "skyrocketing living standards" has been greatly eclipsed by the shadow of monopoly prices, meaningless product differentiation, quality depreciation and excessive sales promotion by advertising and merchandising agencies. Small wonder then that the enlightened consumer—whose thin voice is seldom heard above the roar of the chambers of commerce, manufacturing associations and the trade unions—is no particular enthusiast for automation.

One of the most significant social repercussions of automation is its role as catalytic agent in transferring workers from the traditional employment areas of agriculture and manufacturing to service industries. This latter segment of the national economy has been dignified with the name "tertiary sector." Due mainly to the pressure of the trade unions, people now realize that this transferral, so beneficial to the economy over the long run, has short range drawbacks. For instance, the introduction of the automatic telephone dial system prompted the Bell System to lay off 17,000 workers at the very time that it was expanding the number of telephone installations. This merely meant that there had to be a shift in the composition of Bell's work force. Human labor is being forced into those areas where no machine or electronic brain can compete. Semi-skilled work is being gradually taken over by more efficient production robots. In an economy such as ours with highly technological industries and a vast domestic market, there is a drive to satisfy needs which man begins to experience in an abundant economy long after his wants have been met. That means that leisure and recreational activities, artistic and cultural pursuits, extra built-in services (e.g. frozen foods) become significant. Along with other important economic

factors, automation has enabled the average American to satisfy the wide margin of wants that are impossible in an economy of mere subsistence. Here again the tight bond between automation and advertising is evident, for advertising is one of those service industries that have expanded during the automation boom; it has its avowed purpose, moreover, to stimulate wants through persuasive messages and to maintain an ever-expanding "service" economy. To the degree that it succeeds, the tertiary sector of our economy will grow.

#### Problem of distribution

It is no strategic secret that Americans must learn to devote more of their newly gained leisure to the arts of consumption. The most pressing problem of our era, business experts seem to agree, is distribution. Because of the growing necessity to regulate the market, automation has been greatly responsible for the hard sell; the messages of marketers as they cascade over the diverse channels of the mass-communication media are gradually making the average American slowly inured to information-in short, he has become communications-saturated. A frontal attack on all the senses is employed to formulate the "unique selling proposition," that empathy-loaded advertisement which will highlight irresistibly the difference that sets this product off from others. The status symbols that have been created and the unusual linking of sexually attractive women with ads for heavy machinery indicates that even the old fair-play principle of "caveat emptor" is slowly slipping. The old "catch-as-catch-can" rules of competition are still at work alongside of a

fuzzy ethical image of man and the common good.

All of these observations are intended merely to document something that many people knew five years ago but that few had the courage to say: automation or advertising are merely long shadows cast by man. As in Plato's metaphor of the cave in the Fifth Book of the Republic, the shadows are not the ultimate realities. No scientific achievement can ever relieve man of his responsibilities as lord of the universe. The "feedback control" that God implanted in man at the time of creation is called conscience and the use of it is called wisdom. Speaking before a Division of the American Petroleum Institute in St. Louis in 1955, Peter F. Drucker, noted author and management consultant, ended his address by saving: "In the last analysis Automation-like anything that has to do with the practice of management-will stand or fall with our moral integrity." This moral integrity is not a product of electronic processes. Few voices were raised in America five years ago for the necessary courage, foresight, prudence and charity to direct properly newly discovered powers. Concluding its final report the joint Congressional committee said in 1955: "These hearings will not have been in vain if, in arranging for them and hearing the many helpful witnesses, a feeling of social consciousness about the problem has been stimulated." The report went on to warn that the "genius and industry which create and boast of 'thinking machines' cannot and ought not to be allowed to shift all or portions of the problems created by them to the shoulders of Government and labor." What would an investigating committee report todayfive years later?

T IS A GOOD AMERICAN CUSTOM to talk of bigger and better things to come whenever we try to paint a picture of the future. But the terms bigger and better may be contradictory in the field of taxation. Most people feel that better taxes are lower taxes just as in the frontier days some thought that the only good Indian was a dead Indian. Unfortunately, I can find little encouragement for hopes of lower taxes in manifest trends and current political promises of bigger and better public services. Most signs point to the conclusion that taxes are more likely to rise than to fall. But there is. at least, a chance that the tax structure may be improved and that sources of taxation will be better balanced in years to come than they are at the present time.

Let me add a word of warning about this and other forecasts. Nothing is as effective in deflating our belief that we can more reliably foretell the shape of things to come than the seers of yore than a quick review of certain economic or fiscal predictions made not so many years ago. A comparison of those forecasts with subsequent events is apt to give us an ample dose of humility and to keep us from believing that scientific methods and a perfect 20/20 hindsight can guide us with greater certainty in the foggy and storm-tossed seas that lie ahead. It has not been many years that most took it for granted that the role of the property tax in our tax system would shrink and that federal finances would grow at a faster rate than state and local finances. We know now that in the postwar period property taxes expanded at more than twice the rate of non-property taxes and state and local revenues at more than three times the rate of federal finances. Past trends, of

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course, are but a wet finger in the wind. They tell us which way the wind is blowing but not how long it will keep blowing that way. But they may give us a more impartial guide than if we plotted our manifest or secret wishes onto a blueprint of the future and called them projections, regardless of whether what we want to come true are more and better public services, lower taxes or both.

I shall try to analyze and chart past trends and follow possible or likely developments in the future of our prospective tax burden.

In private planning we first estimate our likely income and then try to squeeze our spending plans into that framework. In present day public budgeting, rightly or wrongly, we first chart expenditures and then try to raise sufficient revenues to meet them. There is, of course, some mutual interaction but, by and large and in the long run, it is the magnitude of public expenditures that sets the size of the tax burden.

The activities and finances of the three levels of government have become so interwoven that it is well-nigh impossible to present a meaningful picture of the past or of the future of statelocal finances except within the context

# Burden in the 1960s

#### ROGER A. FREEMAN

of all governments, national, state and local. So I intend first to discuss the aggregate of public expenditures and revenues in the United States before focusing on state and local finances.

The natural starting point for a study of the size and composition of the tax burden in the next decade then is a projection—or crystal-ball gazing, if you please—of the likely magnitude of governmental expenditures at the end of the 1960s.

In the current year the American people enjoy, more or less, a \$500 billion economy and a \$150 billion government. By 1970, we are told, the economy will have attained a \$700 to \$750 billion size. Will government grow faster, slower, or at about the same rate?

There have been suggestions in recent years that public services ought to be expanded more rapidly than personal consumption. This is the thesis so eloquently broadcast by John Kenneth Galbraith, Walter Lippman and others: that we have shameful public

squalor in the midst of vulgar private opulence, that government is being starved while the private economy wallows in luxury. To quote Professor Galbraith:

The community is affluent in privately produced goods. It is poor in public services. The obvious solution is to tax the former to provide the latter—by making private goods more expensive, public goods are made more abundant.<sup>1</sup>

Mr. Galbraith stated that "the postwar onslaught on the public services left a lasting imprint."<sup>2</sup>

This suggests that governmental expenditures and taxes have grown too slowly and should be pushed up at a faster rate in the decade ahead. Let us see what that means. The most recent year for which we have comprehensive fiscal data from the Bureau of the Census is 1959. They would have to be projected 11 years to reach 1970. If we go back 11 years from 1959 we come to 1948. Between 1948 and 1959 gov-

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<sup>&</sup>lt;sup>1</sup> The Affluent Society, Houghton-Mifflin, Boston, 1958, p. 315.

<sup>&</sup>lt;sup>2</sup> Ibid p. 269.

<sup>&</sup>lt;sup>a</sup> Government finance statistics for 1959 were based on Bureau of the Census, Summary of Governmental Finances in 1959, released August 21, 1960. The Census Bureau subsequently slightly revised some of its data in Governmental Finances in 1959, released September 30, 1960.

ernmental expenditures jumped from \$55 to \$146 billion or 165%. If the rate of increase of the past 11 years is repeated in the next 11 years, government will, in 1970, be spending \$388 billion. That figure immediately looks too big and for good reasons: the dollar lcst about 20 per cent of its value between 1948 and 1959; also, military outlays quadrupled during the Korean defense build-up between 1948 and 1952. Such an expansion will not recur, barring the outbreak of a third World War.

So, if we are to use a meaningful past rate of governmental expansion we should chose a year when the build-up of our national defense reached a stable level and the shrinkage in the value of the dollar came to a crawl. 1952 is such a year. Military outlays have since risen little and the dollar lost only 10 per cent of its value.

This is what happened in the past seven years (1952 to 1959): Public expenditures for war-connected purposes' climbed from \$58.3 to \$59.8 billion (+3 per cent); public expenditures for all other purposes climbed from \$41.5 to \$85.9 billion (+107 per cent).

Let us view this in its proper perspective. Between 1952 and 1959:

population expanded 13%;

gross national product, national income, personal income increased about 40%;

personal consumption increased 42%; governmental expenditures for civilian purposes grew 107%.

Never before in American history, not during the preceding seven years nor in the 1930s, did expenditures for public services expand so fast, absolutely or relatively. The past seven years are without parallel in governmental growth in the United States. This fact is not sufficiently well-known, for several reasons:

1. Expenditures within the U. S. budget grew only 23 per cent between 1952 and 1959 but federal payments to the public outside the budget jumped 452 per cent.

2. War-connected outlays remained relatively stable.

3. State and local finances grew much more rapidly than federal finances but received less publicity.

The fact is that during the past seven years expenditures for the major public services such as education, welfare and pensions, highways, natural resources, parks, etc., doubled or more than doubled. Yet, we are told that they have grown too slowly and that the rate ought to be sharply stepped up.

The historian Henry Steele Commager observed last year: "For who can doubt that—whether we like it or not—the welfare state is with us and is going to grow more rapidly in the next generation than it grew in the last."

If public services were simply to maintain in the next 11 years the annual rate of growth which they showed in the past seven, they would in 1970 cost considerably more than \$200 billion. Adding defense, foreign aid, veterans and interest on the national debt, government would be spending close to \$300 billion a year.

This could happen. But I doubt that it will. It is hard to conceive that the cost of public services can keep doubling every seven years. At the Annual Conference on Taxation in New York last September George Cline Smith predicted that the rate of governmental

War-connected expenditures include: national defense, foreign aid, veterans services and benefits, interest on the national debt.

<sup>5</sup> Congressional Record, August 23, 1960, p. 16030.

expansion will decline in the years ahead, because people will not stand for the tax increases that would be required to sustain the upward trend of the recent past. He said: "I am not forecasting tax reductions or a decline in the size of government in the near future but I will say that the relative rate of growth of government is going to slow very perceptibly starting quite soon."

Some facts suggest that requirements may be slightly easing up. The population of the United States which grew 19 per cent during the 1950s is projected to expand 17 per cent in the 1960s. More significantly: three-fourths of the increase in the past ten years took place among the "dependent ages," those under 18 or over 64 who require more public services. Between 1960 and 1970 the population growth will be about evenly split between the dependent ages and the working-age group (18 to 64). On the other hand, however, there is no sign that the pressures are letting up on Congress, state legislatures, and local units for more rapid expansion of public services and benefits. They may be increasing.

#### Public services expanding

Supposing public outlays for non-war purposes were to be double in the next 10 to 12 years rather than in seven. This is about what such responsible groups as the Rockefeller Brothers Fund panel and the National Planning Association have suggested. Even so, revenue requirements are likely to outrun the increase in tax collections that may be expected from economic growth.

The American economy has, during the 20th century, grown at an average of 3 per cent per year. Between 1946 and 1959 it grew 3.2 per cent. Several reputable economists have suggested

that it will expand more rapidly during the 1960s at about 3.5 to 4 per cent. Others have mentioned figures of 5 or 6 per cent per year. To forecast unprecedented economic growth is, of course, a very tempting pastime. It exudes an almost irresistible charm which is particularly cherished by the presumptive beneficiaries of the hopedfor government largesse. But it is largely, as Max Ways demonstrated in a brilliant article in Fortune last April, "A New Mask for Big Government." Gross national product has in the long. run doubled every 24 years and is unlikely to double in the next 10 to 15. Nor will tax revenues-at current effective tax rates.

Governmental revenues in 1959 totalled \$134 billion. They may well at present effective tax rates reach or exceed \$200 billion by 1970. But public spending is likely to run much higher. The conclusion is that if,

- a) governmental expenditures expand at or near the rate of the recent past,
- b) the economy grows at or slightly above its historic rate,
- c) public revenues are to equal public expenditures, the aggregate tax burden will in 1970 be higher than it is at the present time. In 1959 governmental revenues—taxes, charges, etc.—equalled 35 per cent of the national income. It is conceivable that the figure may run 2 to 3 per cent higher by 1970.

If these assumptions are correct—and we shall know ten years hence whether they were or were not—we have to find by what types of taxes and other revenues the additional amounts can be obtained, how the fiscal responsibility will be divided among the several levels of government, and how state and local

governments can go about gathering the vast sums they will need.

The American tax structure is like no other in the world. The governments of most other industrial countries derive the bulk of their budget receipts, typically 50 to 70 per cent, from consumption of sales taxes and a minor share-between 25 per cent and 45 per cent-from income taxes. In the United States 80 per cent of the federal tax collections-and 57 per cent of the tax collections at all levels of government -comes from income taxes. This preponderance of income taxation is a relatively recent development. In 1940 the yield of personal and corporation income taxes barely exceeded \$1 billion each and they accounted for less than 20 per cent of all taxes. In the current fiscal year income tax collections may total \$70 billion; 95 per cent of this total will go to the national government.

Will income tax proceeds keep rising at a rapid pace? It is generally held that in an expanding economy income taxes grow proportionately faster than other taxes or national income. But the record of the postwar years (1944 to 1959) shows this picture:

increase in collections of income taxes 62% increase in collections of all other taxes, (sales, property, etc.) 207%

increase in national income 118%
Between World War I and World War II collections from income taxes increased 20 per cent, that from all other taxes almost 100 per cent. Only during World War I, World War II and in the Korean War did income tax collections rise more rapidly than the proceeds from sales, property and other taxes, or than did the national income. Income taxes were pushed to their high

levels for purposes of defense and, in fact, federal income tax revenues still approximately equal the combined total of outlays for war-connected purposes.

The record shows clearly that the sharp rise in income tax collections in the United States—ahead of other taxes and of the national income—was a war phenomenon that finds no parallel in peace time. Income tax rates were lifted to excessive levels in war time and had to be cut back in peace time when other taxes were increased. As a result, income tax collections grew more slowly than other tax yields, except during wars.



Income tax yields will undoubtedly continue to rise as the economy expands. But it is less certain whether they will grow at a faster rate than the national income. There is a widespread belief that the present level of income tax rates exerts a repressive influence upon the dynamic forces in the economy. Recurrent demands for a reduction of the near-wartime rates may lead to another tax cut sometime in the 1960s, a cut which would affect prospective revenues.

Some of the proposals for income tax rate reduction in recent years have been accompanied by suggestions to broaden the tax base and to close some of the so-called loopholes through which allegedly large sums escape taxation.

It is true that less than half of all personal income is now subjected to federal income taxation and that personal income, as defined by the Department of Commerce, exceeds the taxable income reported on federal individual income tax by more than \$200 billion. But most of the difference consists of personal exemptions, social benefits, imputed income, standard deductions, etc. To curtail these provisions or to restrict the deductibility of state and local taxes, interest payments, medical expenses, etc, or to eliminate the split-income provision for married couples would mean a hefty tax boost for many or most taxpayers and is unlikely to be considered by Congress. Company yachts, expense accounts and mineral percentage depletion make attractive newspaper copy but are of little consequence, revenue-wise. In years past the tightening of income tax provisions in one direction was usually accompanied by the enactment of benefits in other areas which almost-or more than-offset the revenue gain. There are many demands for tax relief, for example, in regard to depreciation allowances, retirement funds of self-employed, etc. Tax reform may improve the equity of the tax structure but is unlikely to result in a substantial increase in receipts, if any.

It appears that federal income taxes have reached the limit of their load-bearing capacity and that their yield will not rise much faster than the national economy. It may rise more slowly. State income taxes may continue to be boosted but will probably remain of relatively small size.

The peace time trend has been for income taxes to be cut and for other taxes to be raised. As a result, in the past 7 years—that is since the Korean War taxes became effective—collections of income taxes have risen \$6 billion (12 per cent), of all other taxes \$15 billion (52 per cent). Since the end of World

War II, the collection of income taxes, as a percentage of all taxes, has fallen from 72 per cent in 1944 to 57 per cent in 1959. If that trend continues, and it well may, income taxes may account for less than half of all taxes in the United States by the late 1960s.

Not so many years ago property taxes were widely held to be on the way out. They staged an amazing comeback in the postwar period. Between 1944 and 1959 collections from all nonproperty taxes (income, sales, etc.) increased 90 per cent, that from property taxes, a spectacular 225 per cent. National income meanwhile grew only 118 per cent, while the growth rate of national wealth approximately matched the rise in property tax collections. Throughout the 20th century the accumulation of tangible wealth has equalled or exceeded the growth rate of national income in times of peace and prosperity and property taxes have proven an expandable and expanding source of governmental revenue. They total almost as much as all other state and local taxes combined. Only during wars and major depressions did property taxes-and national wealth -stagnate. ·

#### Rise in property tax

Much or most of the rise in property tax collections came from increased or newly created values. Since the end of World War II, \$400 billion (in 1959 dollars) worth of new private construction has been completed, millions of acres of vacant or farm land have multiplied in value as they were converted to industrial, commercial or residential use, and \$150 billion (in 1959 dollars) of new public services facilities (highways, streets, schools water supply, sewer, etc.) enhanced the value of

abutting property. Improvement in assessment administration also contributed to greater yields.

In relation to other taxes the property tax is at a disadvantage because it is uncomfortably conspicuous. Residential property taxes account for only 5 or 6 per cent of the \$100 billion which the American people annually pay in taxes. But they hit the homeowner with a large bill while his other taxes are either deducted from his wages, paid in small amounts, or hidden in the price of the goods he buys. The homeowner knows about his property taxes but is unaware of much of the other taxes he eventually bears. Nor does he fully realize that he offsets a major part of his property tax bill on his federal and state income tax through the deductibility of the property tax and mortgage interest and nontaxability of the imputed income from his equity (rent-free living).



Property tax-yields could well continue their steady advance through the 1960s. The main factors that will set the pace are:

1. Close to half a trillion dollars worth of new private construction may be expected to be built during the 1960s and will augment the tax rolls.

Land values will continue to rise as hugh acreages are turned into new suburbs, industrial parks, etc.

 Reassessments programs will bring taxable values closer to current values, and greater uniformity will make taxes more equitable and acceptable to taxpayers. The property tax will of course never regain the status which it occupied until a generation ago when it accounted for over half of all tax collections in the United States. Nor would this be desirable. But it can and probably will continue to provide a major share of the cost of local public services and thus help to maintain local self-government.

#### A minor role

Sales or consumption taxes play a minor role in the American tax structure, in contrast to most other industrial countries where they dominate the fiscal scene. Eleven per cent of all our tax collections comes from excises on liquor, tobacco and gasoline, 6.5 per cent from other special excises and customs and 4.5 per cent from general sales and gross receipts taxes. The United States is the only industrial country whose national government does not levy a broad-based sales or turnover tax. Thirty-five states and some localities impose retail sales taxes at comparatively low rates. On the whole, it may well be said that sales taxation is the underdeveloped area of taxation in the United States.

If demands to expand and liberalize public services and benefits continue unabated through the 1960s and if other types of taxes fail to produce the needed amounts, consumption taxes are likely to be called upon to supply a larger share of the budgetary requirements. You may remember that John K. Galbraith tied the expansion of public services to lessened resistance to higher sales taxes.

The example of many countries suggests that relatively heavy consumption taxes can be imposed without an apparent detriment to economic growth.

All of us are familiar with the charge that sales taxes are regressive and unfair in placing relatively heavier burdens upon low-income groups. However, studies in a number of states-California. Pennsylvania, Connecticut, etc.have shown that a retail sales tax, particularly with food exempt, is proportional through much or most of the income range and regressive only at the top and bottom ends of the scale. The real vice of the sales tax-if it be a vice -probably is not that it robs the poor but that it does not rob the rich; in other words, that it does not redistribute income from some to others as the income tax does. The issue of sales versus income taxation is a question of political philosophy which will undoubtedly continue to be debated for a long time.

The importance of consumption taxes in our tax system has grown in the postwar period from 14 per cent of all tax collections in 1944 to 22 per cent in 1959. It is conceivable that their share may rise to more than 25 per cent by 1970 as rates are revised and coverage is broadened.

When it has become obvious that heavier taxes are inevitable, it still remains for some public officials to take the political responsibility for raising them. Since such political responsibility is more easily identifiable at local and state levels, we may expect a general tendency to place the undesirable job at the door of the national government.

Until about a generation ago, state and local governments gathered about two-thirds of all governmental revenues, leaving one-third to the national government. The relative position has since been reversed and the national government now claims about two-thirds of all public revenues. Some observers have interpreted this as express-

ing a gradual trend toward fiscal centralization. But closer analysis reveals a different picture.

During wartime—in World Wars I and II and during the Korean War—the national government for obvious reasons expanded its revenues at a more rapid pace than state and local governments. But in peace time—prior to World War I, between the two wars, and in the postwar period—state and local revenues increased much faster than federal revenues. Moreover, in peace time state-local revenues climbed at a more rapid rate than the national income, federal revenues at a slower rate.



For example, between 1922 and 1940 federal revenues grew 64 per cent, state-local revenues 113 per cent; between 1944 and 1959 federal revenues grew 68 per cent, state-local revenues a spectacular 256 per cent. During the last-mentioned period (1944-1959) national income expanded 118 per cent.

In other words, the sharp relative growth in federal taxation took place only during a few years—1916 to 1920, 1940 to 1944, 1950 to 1952—when war demanded a concentration of the national effort in the national government. During peace time, state and local governments, with all their much-vaunted disabilities, managed to expand their revenues at a more rapid pace than the national government. The obvious

explanation for this trend is that most of the domestic public services are the primary responsibility of states and communities. State legislatures and local bodies have been under constant pressure to boost taxes and they obliged at an amazing rate. Two-thirds of the state legislatures raised taxes in 1955 and again in 1959. Counties, cities, school districts and other local governments have been pushing up their taxes gradually and consistently year after year.

Congress has seldom raised the level of taxation outside of wartime. Rather, in response to irresistible pressures, it has tended to reduce taxes during extended periods of peace and prosperity.

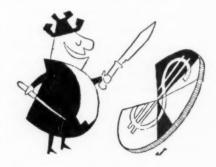
Largely because of changes in tax rates, the national government's share of all public revenues shrank from 79 per cent in 1944 to 64 per cent in 1959. Whether this trend is desirable or not is not so much a question of economic considerations but whether we favor centralization of governmental power or home rule and local autonomy. Peter F. Drucker suggested in an article in Harper's for July 1960:

This tremendous expansion of the [local] governments has gone more than halfway toward restoring the pre-New Deal balance between the national and the [local] governments in the domestic field. It has made the [local] governments at least potentially the really dynamic, expansionist, innovating organs in American social policy.

If the trend of the postwar years continues, and barring a war emergency, public revenues in the United States may sometime in the 1970s be evenly split between the national and state-local governments.

The national government has repeatedly been charged with having preempted the major sources of public revenue and thus having made it impossible

for states and communities to take care of their budgetary requirements. This charge is not without foundation. States would be in a better position to raise taxes if, as Harold Groves so well put it, the federal government did not "descend annually upon their taxpavers like a ton of bricks." Congress has raised income tax rates so high as to make it very difficult for the states to superimpose their own rates on top of the federal tax. But the federal government has not entered the field of property taxation nor of general sales taxation. In those areas states and communities may raise their taxes as high as their citizens are willing to bear them.



Let me now summarize the outlook for fiscal developments in the 1960s.

Governmental expenditures most certainly will continue to mount, though probably not as rapidly as they did during the 1950s. But they may grow at a faster rate than national income or governmental revenues at current effective tax rates and thus force a gradual rise in the tax burden or in the public debt or both.

The relative importance of income taxes in our tax structure has tended to soar during wars and to diminish in peace time—from 38 per cent of all tax collections in 1920 to 19 per cent in

1940 and from 72 per cent in 1944 to 57 per cent in 1959. Barring a war emergency, it seems reasonable to expect that this long range trend will continue. This would help to correct our lopsided tax structure and bring it into closer conformity with the tax system of other industrial nations. It is conceivable, though far from certain, that sometime during the 1960s some relief from federal income taxation may be granted, if Congress uses sufficient restraint in making appropriations. States, on the other hand, are more likely to continue to raise or tighten their income taxes. But income taxes are not likely to amount to more than 10 per cent of all state-local tax receipts.

Property tax yields will keep growing and, with a thorough administrative reform, the tax could gain added importance. A major overhaul of assessment procedures and of jurisdictional limitations is probably the most vital and urgent—and also, the most difficult—fiscal task of state and local governments in the decade of the 1960s.

#### The conclusion

Signs point to the conclusion that the role of consumption taxes will continue to rise. The coverage of sales taxes is likely to be broadened and exemptions may be reduced. The typical state sales tax rate in 1970 could be between 4 and 5 per cent.

Most of the "additive" tax legislation is likely to take place at state and local levels during the 1960s, as it did during the 1950s. It is vital that official as well as citizens' research groups at state and community levels start now planning for the prospective size of budgetary requirements and the means of meeting them.

#### An International Symposium

### Duties to Underdeveloped Countries

The Argument
Leon H. Janssen (Rotterdam)

The Fires of Envy
Colin Clark (Oxford)

Distribution of Wealth
John M. Paul (Washington)

Terms Need Analysis
Thomas H. Mahony (Boston)

Problems in International Law David Johnson (London)

Call for World Economic Community Philip S. Land (Rome)

Politics as Primary
Paul Crane (Oxford)

Economics as Primary
Virgil Salera (Washington)

Role of Voluntary Agencies Edward E. Swanstrom (New York)

Social Function of Ownership James L. Vizzard (Des Moines) New Orientation of Economics

Francesco M. Vito (Milan)
The Modalities of Aid

Philippe Laurent (Paris)

Postscript

Edward Duff (Saint Louis)

#### 40 CENTS

Institute of Social Order 3908 Westminster Place Saint Louis 8, Missouri have joined the world family of nations in the past 14 years, the most recent being Nigeria with its more than 36 million people making it the country with the largest Negro population in the world. This phenomenon has been breathtaking in its impact. Starting in the Middle East with India, Pakistan and Ceylon and Burma, it extended to the Near and Far East to include Indonesia, Malaya, Korea, Israel, Syria, Jordan and Iraq.

In the continent that slumbered for centuries — Africa — the independence movement started first in the north, in Libya, then in the Republic of Sudan, Morocco and Tunisia. On March 6, 1957, Ghana (formerly the Gold Coast) received her independence from the United Kingdom and triggered the push for independence in Black Africa. Since then, with jet-like speed the words freedom and independence have spread throughout Black Africa. Thus, the following states have joined the world community of nations:

Cameroons
Central African Republic
Chad
Congo Republic
Dahomey
Gabon
Guinea
Ivory Coast
Malagasy Republic
Republic of Mali
Senegal
Somalia
Togo

The following will soon be independent:

1. Tanganyika

Voltaic Republic

- 2. Kenya
- 3. Sierra Leone

#### "The African and Asian

### **Understanding**

These "new" states which number 29, combined with the older Afro-Asian states, total 42. The grand total of the population in Africa and Asia is one billion, 890 million or 64 per cent of the world's population. The ratio of the non-white Asian and African peoples will continue to increase as a result of their high birth rate.

The new and older Africa-Asian countries have 42 votes, out of a total of 99, in the General Assembly.

During the past year—1960, the year of destiny for Africa—the majority of African states received their independence. The impact on the United Nations has been such that the balance of power in the General Assembly proceedings is within momentary grasp of the Afro-Asian states. These states are equal partners with the West not only in the United Nations but in other international organizations.

When these political facts are predicated on the economic realities of growing dependence of the Western industrial nations on the Afro-Asian states for their raw materials, and as a source for their finished products, we can easily understand that there are good political reasons why we, as citizens, should be interested in the new emerging nations.

But we are also fellow human beings,

### **New Nations**

#### THOMAS P. MELADY

vitally interested in these people as people. As people we wish to know them, to live peacefully with them, to share our aspirations and our problems. As people we wish to regard them as affectionate members of our family. Since a primary step to the development of friendship should be for us to know them, let us look for a moment at their historical backgrounds, their ethnic and cultural traditions.

The new nations are full of historical achievements. Highly developed civilizations existed in Africa and Asia before the West had established itself as a leading civilization. When the West reached out to Africa and Asia in the 15th century and later, however, these great civilizations had gone into decline. The great empires of Portugal, Spain, France and the United Kingdom, first engaged in trade, then colonized these areas. In Africa the colonization was soon followed by the development of the slave trade, a program whereby the African hosts who were sharing their homes with their Western guests were sold into bondage by their guests. While the Africans have been remarkably charitable in forgiving and forgetting, this for some will always remain as a scar on our Western civilization in the eyes of the African people.

Let us continue to look especially at Africa. Destiny has now thrown the spotlight on Africa. It is aglow with the light of joyous and determined peoples rushing on to attain political goals that have been beyond their reach until the last few years. Simultaneously with their political development a significant special change in Africa has taken place among the younger people. Here again the change has been caused by the two major political developments affecting Africa: the rush of the African peoples toward independence and the struggle that has emerged in the last few years for their minds and their hearts.

These young people, while not participating directly in contemporary political developments, have been overtaken by the sense of urgency to leap over the centuries of inactivity and catch up in a few years with the rest of the world. In their case, the rush has been for education. Africa has hundreds

President of Consultants for Overseas Relations, Dr. Melady is the author of various books and articles on Africa. This article is adapted from a presentation that he made during the program of the 33rd Annual Conference of the Catholic Association for International Peace whose theme was "Barriers to International Understanding."

of thousands of young men and women between 15 and 25 whose parents were by technical standards illiterate, living in a tribal or village situation. These young men and a few women receive their elementary education near their birthplace; now they have been psychologically and physically separated from their homes. In most cases they wander into the urban centers of their countries where they seek more advanced education or employment.

They have lost or rejected the value system of their parents. Coupled with the disintegration of Africa's traditional tribal society, this absence has most of them living in a political vacuum. Nevertheless, they are possessed at the same time with a drive to bring quick solutions to the age-old problems that have afflicted their peoples, problems not only of political independence but also of the great scourges of Africa—poverty, disease and illiteracy.



New leadership demands that there be followers, not merely some who can applaud the triumphs but those who can and will do the work that will help make genuine progress possible. Africa's future depends on these young people—like a young Ethiopian boy named Tecle—"Tec" for short. Tec is a common name among Ethiopian boys, just as Joe is here in America.

Several years ago in a village in southeastern Ethiopia, Tec heard that in the capital city of Addis Ababa there were schools for advanced learning and, if he were not admitted to one of these schools, there were still libraries where he could read books, newspapers and magazines. Though born into a tribal Ethiopian family where both his mother and father were technically illiterate, Tec had received his elementary and some high-school education in neighboring missionary schools. When he completed this schooling, he was not prepared psychologically to return to the pastoral life of his family. He determined to go to Addis Ababa where more education either at schools or libraries was possible.

With his few clothes in hand, this 19-year-old boy set out on the 600-mile trek to the capital of his country. He caught rides when he could, sold most of his clothes so that he could eat; he walked and walked and walked. Having gone without food for the last two days of his journey, he arrived in Addis Ababa so weak that he had to be sent to a hospital.

After a week of treatment, food and rest, Tec began to visit the principal libraries of the city. He would arrive when the library opened and remain there until it closed, taking time out only for his meals. After six months of this seven-days-a-week schedule, he was admitted to the Ethiopian Agricultural College.

Tec is the living symbol of African youth. They will walk hundreds of miles to read a few books, to learn of the heritage of the past and to catch up on the great technological progress made by the rest of the world. They will go without food and clothes in order to drink at this fountain of knowledge.

The sacrifices being made by African young people for advanced education is an example of the young people in the underdeveloped world rising to a great challenge.

#### Passion for education

The unfortunate fact is that this noble passion of African youth to obtain education has occurred simultaneously with the destruction of their own value system and the appearance of Soviet communism, an ideology which demands only two things from the African—his mind and his heart. The decade 1960 to 1970 will tell the story of whether the young people of Africa can be successful in learning 20th century technology without falling victims at the same time to the camouflaged colonialism of the Soviets.

The overseas rule that once dominated the affairs of the African people has changed. With a few exceptions the European powers have withdrawn from the active direction of internal African. affairs. A subtle change in the type of colonialism being offered to the African peoples has occurred in the past few years. Soviet communism, under the cloak of the Marxist value system which is associated with dramatic improvement in the standard of living of the Russian people, is the new colonialism active in Africa today. The Soviets claim that their system can bring the same alleged wonders for the African people that it brought for the Russian people. That Moscow would ultimately seek to control the system is ignored because concealed.

We must acknowledge the success of the communist "Peoples-to-Peoples" program in Africa. Hundreds of young communist volunteers are serving in Guinea and other communist states. From my own personal experience I must report that they are enthusiastic, attractive representatives of communism. They say: "We were just like you a few years ago, poverty stricken, oppressed; we were freed from bondage by Marxism and now we are the most powerful state in the world." When these words are said by the Chinese communists, they have the added impact of being said by fellow colored peoples.

I will always remember my experience in Guinea one evening when some Soviet and East German volunteers were together with some young Guineans. One Soviet was telling the Guineans that he did not correspond with his parents in Russia because they were illiterate; they were, as he said, born under the old system when most of the Russian people were illiterate and poverty stricken. He went on to point out that he, born under communism, was able to receive an education through the University level. After working several years, he volunteered to work in Guinea so that he could assist the Guinean people in the same kind of struggle that the Soviets faced. Within a few minutes I saw this smiling young and sincere communist establish that the Soviets and the Africans had the same problems of oppression and they could naturally say "we."

For many weeks I reflected on this and became increasingly concerned that the West was not really aware of the growing communist success in Africa.

In this case, of course, the new system is a drastic change. The old colonialism demanded that the African areas fit into the trade development programs of their European administrators. Local political development, leading to autonomy within varying frameworks, was

allowed to take place. The new colonialism, however, demands absolute allegiance to its political value system. It demands the unquestioning allegiance of the minds and the hearts of the African people rather than the commitment of their land and raw material. So far the African people have not indicated that they wish to change from European domination to Marxist socialism controlled by Moscow.

A significant change on the African scene has been with the young people. We see African youth rushing to bring quick change to the social and economic situation in which they and their people live. These young Africans, some of whom will be the leaders of tomorrow, are possessed with an overpowering determination to do whatever is necessary to bring the fruits of modern civilization to their people.

The African people are a religious people. Out of the total population of about 240 million, some 88 million are Moslems, roughly 40 million are Christians, the remaining 112 million all believe in a Creator, a Supreme Being, whether He is the God of the Mountain as He is in Kenya or the God of the Forest as He is in West Ivory Coast. Africa is a land of believers.



To understand these peoples and to evaluate what has been done by the West, we would enunciate as a minimum philosophical goal that there should be fraternal conversation among the peoples of the Western world and the new nations. Has this friendly dia-

logue existed? I regret to note that we in the West have not comprehended the significance of the revolution that has taken place before our eyes. We do not understand the political impact, we have been unable to embrace the people of these nations with any of the fervor that should be intrinsic to our way of life. We have, in disappointing fact, failed to understand these new nations.

#### Implication of failure

What are the implications of this failure? Apart from the political implications, we have failed in the past 15 years to bring into our family circle friends who have been knocking at the door. At first they knocked with the enthusiasm of friends long separated; now, while their knocks are not so determined, they are still knocking; soon these sounds may fade away. We have failed, I submit, to understand the implications of the hundreds of thousands of Tecs who will walk 600 miles for the opportunity to learn.

The increasing concern about our failure can give us encouragement. Perhaps now we will begin to understand and begin to carry on a fraternal conversation. Certainly, we know that we have a vast reservoir of vital human warmth which we can share with the peoples from the new nations. This is our heritage. The people of Africa and Asia will understand us when we share with them our ideals, our hopes; when we embrace them as people.

Destiny has given us this opportunity for greatness. After being separated from each other for centuries, these boundaries in a few short years faded away. The African and Asian peoples are now our next-door neighbors. If this is recognized, we will understand the new nations.

## GOVERNMENT SPENDING

Joseph M. Becker

Father Becker is a member of the Institute of Social Order.

T wo books were published this year by the same publisher, in identical format, of the same size and price, dealing with the same question, but supplying different answers. The question is: How much of the national income should be turned over to the government to spend? The difference in the answers is largely a matter of emphasis; the difference, however, is unmistakable.

Professor Francis M. Bator of Massachusetts Institute of Technology evidently believes that there is truth in the charge that we are a nation of "private affluence and public poverty." In his preface he says:

One's conception of what is a good society is inevitably subjective. My conception of the good society leads me to believe that we are dangerously shortchanging ourselves on defense, foreign aid, education, urban renewal, and medical services; that we badly need to increase allocations to these and a variety of other public tasks.

Professor Henry C. Wallich of Yale University, a former member of President Eisenhower's Council of Economic Advisors, adopts Lincoln's formula that the government should do for the people only what the people cannot do or cannot do so well for themselves and adds his own characteristic emphasis:

It would have to be shown that the people could do something only very imperfectly, and the government very substantially better, before the government should step in.

The Bator book employs close reasoning on an abundance of statistics to achieve a very precise, if narrow, result. It seeks to establish with rigorous logic the proposition that governmental spending is not always and necessarily inferior to private spending. Careful reading is required to recognize how narrow the scope of the book really is. The book is not concerned with all kinds of governmental influence on the economy; it is not concerned, for example, with the government's regulatory activities. It is concerned only with government spending. And not with all kinds of spending, but only with "exhaustive" spending.

Bator divides governmental expenditure into nonexhaustive (N) and exhaustive (G). Nonexhaustive expenditure does not directly absorb goods or services but merely redistributes income. It includes the payment of interest on the public debt, for example, and transfer payments such as are made in unemployment insurance and the various programs. It also includes grant-in-aid by the federal government to the state and local governments. N is perhaps best thought of as the obverse of taxes.

N is the fastest growing class of gov-

THE COST OF FREEDOM. By Henry C. Wallich, Harper. New York. x, 178 pp. \$3.75.

THE QUESTION OF GOVERNMENT SPENDING. By Francis M. Bator. Harper, New York. xvi, 167 pp. \$3.75.

ernment expenditures. In 1929, nonexhaustive expenditures were \$1.7 billion which at that time represented 17 per cent of all government expenditures and 1.6 per cent of the gross national product. By 1957 N had shot up to \$25.5 billion, a sum representing 23 per cent of all government expenditures and 5.9 per cent of the gross national product.

Although nonexhaustive expenditures are at least as controversial as any other kind of government spending, Bator does little more with them than draw their statistical profile. He excludes them from his analysis on the ground that "they do not represent a short-circuit of the private market." (This reason is only half valid. The market operates to determine not only production but also distribution and N certainly changes the distributive pattern from that which the market would have established in the absence of N.)

### "Exhaustive" expenditures

The focus of the Bator book is "exhaustive" expenditures (G), by which he means those which directly divert resources from private consumption and investment:

It consists of purchases by government of goods and services from business and households—for example, of typewriters and B-52's and of the services of construction companies and of civil servants.

It does not, however, include the spending connected with government-owned enterprises (a power station, a transportation system, a bridge) except to the extent that a subsidy is given to the enterprise. If, for example, a governmental unit spent a million dollars a year to run such an enterprise, but took in a million dollars in fees, none of this governmental activity would show up in the spending figures which Bator uses. The reason for the exclusion

is, again, that this kind of spending does not "short-circuit the private market." The services and products of the enterprises are subject to the market test of purchase by a private buyer. (True; but one should make a mental note that such spending has significance for the general problem of government influence in the economy.)

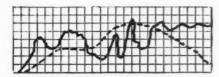
Bator begins his analysis with a preliminary exercise that is really the best thing in the book. He takes a comprehensive look at the statistical facts. The following are some of the more significant items taken from his collection, which covers the period 1929 through 1957.

Exhaustive expenditures (G) as a percentage of gross national product (GNP) is a measure of the proportion of our resources that we devote to this most public kind of spending. G has grown from 8.1 per cent in 1929 to 19.6 per cent in 1957. The federal share in G has also been increasing. In 1929, out of a total G of \$8.5 billion the federal government spent \$1.3 billion or 15 per cent; in 1957 out of a total G of \$84.5 billion the federal government spent \$49.6 billion or 59 per cent (over half of this went for defense and international affairs).

That most of this great growth was occasioned by war may be seen in the fact that civilian G as a per cent of civilian GNP increased much less: from 7.5 per cent in 1929 to 10.3 per cent in 1957. The influence of war may also be seen in the fact that civilian G as a per cent of total G fell from 91 per cent in 1929 to 47 per cent in 1957. (The federal share of civilian G is small—in 1929 it was one tenth of the total and in 1957 it was still only one fifth. As a matter of fact, three quart-

ers of all federal expenditures, N and G combined, are directly traceable to past wars and the threat of future war.)

In 1957 civilian G amounted to \$39.8 billion, of which, as noted above, four fifths were spent by the state and local governments. The spending was distributed as follows: education 33 per cent, highways 18 per cent, health 12 per cent, general government 12 per cent; the remaining 25 per cent was distributed among a wide variety of functions.



It is worth noting that on the average about one third of G consists of investment spending (construction and producers' durable goods) and therefore contributes directly to a higher level of production. Much of the rest consists of spending on education and health and therefore contributes indirectly to the same end. A part of G, therefore, may only temporarily lower the amount of goods available for private consumption. In the long run, the supply may actually be increased.

As compared with Germany, Britain, Canada, Belgium and Sweden, the United States allocates a smaller proportion of national resources to public use. Total governmental expenditure (N+G) as a percentage of GNP compares as follows: Britain, 35.7, Belgium, 31.2, Germany, 30.8, Canada, 26.6, Sweden, 25.9, U.S., 25.5. In the case of all G (defense and civilian spending combined), the United States' percentage (of GNP) is higher than the others but is lower in the case of civilian G alone. In the case of N, the United States' percentage is much

lower. Note that Sweden and the United States allocate almost identical proportions of GNP to total government spending. Yet Sweden has a much more socialistic economy. The explanation is that government spending is not adequate (not total spending and still less G alone) as a measure of government influence in the economy.

Bator uses his collection of statistics to impose limits on the possibly correct answers.

The simple discipline of confronting every claim that we are doing too much of this or too little of that with the quantitative facts of what we are doing has surprising therapeutic value. It is worth looking at the facts, if only to discipline prescription.

Having done that, he pretty much drops his statistics and resorts to logic to establish some important but very limited propositions. The scope of his reasoning is not that any arguments in favor of governmental spending are necessarily right nor that any arguments against governmental spending are necessarily wrong but only that some arguments against governmental spending are not necessarily right. His analysis amounts to proving that three popular rules of thumb are not invariable guides for restricting public expenditure in favor of private expenditure. The three, which he considers in turn, are "stop inflation," "cater to the consumer," and "avoid coercion."

- 1. Bator argues that no one can prove that government spending always leads to inflation or, if it does, that the loss is always greater than the gain. It is in this section that he examines and rejects Colin Clark's thesis that 25 per cent of national income is the absolute maximum for taxes.
- It cannot be proved that governmental expenditure always leads to less consumer satisfaction than if the in-

dividual citizen had been allowed to spend the money himself in the private market. In this section, by far the longest in the book, Bator attacks the crude forms of such arguments as: government is inefficient—taxes distort the market mechanism—taxes destroy incentives.

In this section, also, he submits prescription to the discipline of facts again and reminds the reader that, while governmental expenditures have been growing, per capita consumption has also been growing: from \$1,091 in 1929 to \$1,631 in 1957 (both in 1957 prices). In other words, the increased G has not caused a skimping of private consumtion—as it has done, for example, in Russia.

Neither has it caused a diminution in private investment: Private investment as a proportion of GNP was 15.5 per cent in 1929 and was 15.6 per cent in 1957. Moreover, productivity (real output per man-hour) has been growing faster in recent periods (periods of heavy government expenditures) than in earlier periods. The annual rate of increase was 2.04 per cent for the period 1889-1929 and was 3.5 per cent for the period 1947-1956.

3. It cannot be proved that government spending always involves coercion of the consumer, in the sense that consumers are made to spend their money on objects which they would not buy if they were free to buy an alternative good. Bator points out that the market mechanism also involves coercion, that some freedoms are competitive (freedom for the pike is death for the minnows) and that some goods like battleships and highways cannot be split up to please each individual but must be taken whole or not at all. Bator limits his discussion of coercion to this coercion of

tastes and barely touches on the broader issue of loss of political freedom—the issue which is the chief concern of Wallich.

The Wallich book has a larger scope. Not limited to government spending, it is concerned with the total impact of government on the economy. Wallich notes that there is an "old" freedom and a "new" freedom. The old freedomwhich was political-consisted of liberation from oppressive government. With this largely achieved, men are turning to the new freedom, a freedom that is economic and consists of liberation from Want. Wallich approves the pursuit of the new freedom but warns against pursuing it in such a way (through excessive dependence on government) so as to lose the old freedom.

The pursuit of economic welfare involves the growth of the national product and its distribution. Wallich has something to say about both. As to growth, Wallich has no difficulty in showing that our own system has been highly productive; the nub of his argument is that we are wealthy enough to afford a free economy even if it entails slightly lower productivity.

## Controlled economy

Wallich seems willing to concede that a completely controlled economy can outproduce a free enterprise economy. The evidence he adduces for this crucial point is fragmentary; he seems to be impressed chiefly by the rapid progress of Russia and our own experience in wartime. Growth depends on holding down consumption in order to increase investment; this obviously is more easily done in a completely controlled economy. Wallich does not concede, however, that democratic socialism (the

economic system in which the state directly controls everything while being itself under the direct control of free citizens) is more productive that the free enterprise economy. Wallich believes that such a system must either resign itself to relative ineffectiveness or develop into totalitarian socialism.

Wallich agrees with Thomas Jefferson that "the natural progress of things is for liberty to yield and government to gain ground." He looks upon economic freedom as insurance against the loss of political freedom and insists, "The danger that we shall underinsure is considerable."

Economic freedom assures dispersal of power. As a concrete example of the value of the dispersal of power he recalls the McCarthy investigations during which many people lost their jobs with the government. Without attempting to pass judgment on those discharged, he observes:

Many of them found a haven somewhere in the anonymous reaches of the free market. In this way, persons who may not have been extreme admirers of free enterprise were led to discover one of its advantages.

Wallich recognizes that the maintenance of a free economic society involves the maintenance of incentives and competition; this, in turn, means the acceptance of some degree of economic inequality. He examines the extent of current income inequality to see whether the cost of freedom is excessive. In 1957 the average mean income for families was \$6,975. About eight per cent of the families had incomes under \$2,000 (over half of these owned their own homes), while 1.5 per cent had incomes over \$25,000.

He examines past trends to see whether the remaining degree of undesirable inequality (Wallich holds that complete equality is not even a desirable goal) may be expected to diminish. In 1929 the top five per cent of all families received 31 per cent of total personal income but by 1950 their share had dropped to 20 per cent. Both figures refer to before-tax income; taxes would, of course, further cut the share of the top bracket. Meanwhile, the share of the lower 40 per cent went up from 13 per cent to 18 per cent, without government contributions, which would raise the share of this group.

The data suggests that pre-tax inequality has been cut back in some substantial degree, even without considering what taxes and public benefits have accomplished in the way of redistribution.

He concludes that poverty in the United States is now social rather than economic, in the sense that we do not have whole economic classes who are in poverty but only individuals and special groups-such as the unemployed, the chronically ill, the untrained or those who live in a depressed locality. He grants that the drying up of these pockets of poverty involves action that is peculiarly proper to the government; he refuses to grant that there is a general problem of serious inequality which would justify major new government programs aimed at redistributing the wealth.

With regard to the thesis that holds that people are spending money on trivia—tail fins and TV sets—which government could spend to better purpose, Wallich remarks:

Gadgets in cars and homes have drawn the special ire of the critics. It is interesting to note, therefore, that expenditures for all kinds of durable consumer goods, including automobiles, run about 14 per cent of personal consumption. The greater part of this, presumably, goes for the essential parts of fairly essential equipment. What is left for ornament and gadgets does not loom impressively large.

N either author attempts detailed prescription for concrete action. Both are chiefly intent on putting the reader through the intellectual exercises necessary to reach a rational conclusion on either side of the debate. What Bator says of his book describes the contribution of both: "It is designed not to provide answers but to instill uncertainty concerning matters about which many people are all too groundlessly certain."

It would be interesting to present each author with a series of concrete problems and see how far apart they actually are in their solutions. In all probability they are no further apart than, say, the Democratic and Republican candidates in the recent election—and neither Kennedy or Nixon was far from the middle of the road.

In this, the candidates reflected the prevailing sentiment of the country. There is no likelihood of a major shift either toward or away from the present pattern of private-public spending. Public spending will continue to grow (certainly in absolute amount, almost certainly as a proportion of GNP), but at such a gradual pace that the increase can be financed out of the normal growth of the nation's product (easily, if GNP grows, as is hoped, at a 4 per cent annual rate) and still permit an increase in private spending.

## **Books**

THE SCHOOL BUS LAW. By Theodore Powell. Wesleyan University Press, Middletown, Conn., xi, 334 pp. \$5

In The School Bus Law Mr. Theodore Powell attempts an objective study of the Connecticut school-bus controversy that was finally resolved when the House Speaker cast the tie-breaking vote in favor of permissive legislation. This was a measure involving the civil rights of independent school children. But the POAU and other opponents of religious freedom turned it into an unsavory religious controversy. An unbiased study of such an emotion-filled strife is a difficult task. The author makes the attempt but fails.

Mr. Powell does not analyze the controversy as a struggle by parents and their religious leaders for religious freedom in the education of children. Instead, he interprets it as a Catholic clerical struggle for political power with a counter-attack by Protestant ministers determined to maintain Protestant political dominance in the state. Although the supporters of the bus bill had cast their



arguments largely in terms of the civil rights of church-related school children, the author fails to recognize this issue as vital and central.

In the Everson bus case of 1947 the Supreme Court of the United States had enunciated a positive doctrine of the civil rights of church-related school children. The First Amendment, said the Court, "commands that New Jersey cannot hamper its citizens in the free exercise of their own religion. Consequently, it cannot exclude . . . the members of any...faith, because of their faith, or lack of it, from receiving the benefits of public welfare legislation." That is, the bus case involves civil rights; it involves the free exercise of religion. Children, said the Court, cannot be denied bus rides because their parents exercise their religion in the choice of a church-related

This reasoning of the Court was central to its holding in the New Jersey bus case. It was central in the Connecticut controversy. Yet, in his analysis of both the Everson case and the Connecticut case, Powell ignores this essential rule of law. The author's failure to recognize the civil rights issue in the efforts of parents and church leaders to secure equal treatment for all children accounts for his inability to understand their motives.

Powell's description of the various forces contesting the bus-issue reveals once again that parents of independent school children are failing miserably in their obligation to participate in the democratic processes. American democracy is pressure-group democracy. The POAU and the American Civil Liberties Union (ACLU) took aggressive action to deprive independent school children of their civil rights. But Powell's study does not reveal a single interest group organized to promote and defend the rights of these children.

In Connecticut, as elsewhere, it is evident that parents of independent school children, Protestant, Catholic and Jew, have failed to organize an interest group to educate the public on civil rights issues, to create public opinion, and to participate in the legislative processes. (The one exception is Citizens for Educational Freedom.) Consequently, as the Powell study so well demonstrates, a few aggressive pressure groups can successfully challenge the civil rights of large unorganized minorities.

Theodore Powell has written an interesting book. But his failure to recognize the civil rights-issue as central and his commitment to the absolutism of Everson in church-state relations rather than the relativism of the more recent Zorach decision greatly impair the value of his study.

There is great merit in the author's suggestion that religious leaders of every religion engage in the dialogue to create better understanding. Mere discussion will not, however, promote and defend the civil rights of independent school children; the dialogue is no substitute for the civic responsibilities of citizenship.

The Connecticut bus controversy demonstrates once again that civic group-action through the democratic processes is essential to our system of government and the defense of freedom.

VIRGIL BLUM, S.J. Marquette University Milwaukee, Wis. THE NEW NIGERIAN ELITE. By Hugh H. Smythe and Mabel M. Smythe. Stanford University Press, Stanford, Cal. ix, 196 pp. \$5

As African nations gain their independence, positions of leadership pass from outsiders to the citizens of the new nations. It is, therefore, of the utmost importance that we know as much as possible about these new rulers—their origins, their capabilities and their values. The authors of this study have thus performed a unique and valuable service in their attempt to present a portrait of the leadership cadre of the largest of the new African states.

The New Nigerian Elite is based upon field work carried on in 1957-58. The elite studied were chosen on the basis of mention in the press and the recommendations both of Nigerian and non-Nigerian students of Nigerian affairs. Only those considered as belonging to the "upper level" elite were included in the study. Questionnaires and interviews were used to elicit detailed information about the lives of the 156 individuals thus selected. Useful background for understanding the nature and role of the new elite in Nigeria is provided by introductory chapters on recent Nigerian history and political development.

The Smythes' systematic study serves to confirm rather than overturn the impressions of anyone familiar with Nigeria. The elite of Nigerian society are principally politicians, senior civil servants, and such professionals as lawyers and physicians. Business success, even where present, is not of itself a path to membership in the elite. Though there is a high correlation between elite membership and higher education, few intellectuals as such are members—indeed, few exist save for the faculty of University College, Ibadan—itself part of the governmental bureaucratic structure.

The new elite has supplanted the traditional elite by a gradual process rather than through a revolutionary overturn; many of its members come from chiefs' families. There is little "social distance" between members of the upper and lower ranks within the educated classes but there is a sharp cleavage between them and the uneducated masses. This pattern (in part taken over from British colonialism) is, however, somewhat softened by continuing tribal loyalties and conflicts

In Nigeria as well as elsewhere it has

proved easier to inculcate such externals of civilization as bureaucratic and technical skills than it has been to develop the moral, esthetic and psychological foundations on which they have been based in the countries of their origin. In addition, the Nigerian elite is too small in size to provide a sufficient base for extended cultural activities, a situation aggravated by the fact that many of the wives of leading citizens have had considerably less education than their husbands. As a result, the lives of these new masters are often culturally barren with little to occupy leisure time save the schoolboy sports and drinking habits left as a cultural legacy by their British predecessors.

More important, cultural barrenness has a spiritual counterpart. The old religious beliefs and the imperatives of tribal solidarity are dying but little exists to replace them save a largely formalistic Christian allegiance and hangovers from the religion of Fair Play and sportsmanship. It is not surprising, therefore, that the new elite is almost always materialistic and personally grasping and not infrequently corrupt.

This discrepancy between the levels of technical and personal formation of their leaders is, unfortunately, a problem general throughout the emergent nations. That such problems have not been neglected in their research is one of the many merits of the Smythes' work.

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#### THE MEANING OF MODERN BUSINESS. By Richard Eells. Columbia University Press, New York, 427 pp. \$7.50

The modern corporation has long been a source of fascination to the writer. James Burnham, A. A. Berle, Jr., Peter Drucker and other observers of the everchanging corporate scene have explored the nooks and crannies of the business firm in quest of an underlying philosophy.

In this stimulating book, Mr. Eells continues to search into the nature and objectives of the corporation as a human institution. He asks the question whether the large corporation is really in a position to serve society or whether society is being reconstructed to serve it. The author believes

that today's corporation, a newcomer to the organizational hierarchy, has reached its present power status far too fast to have time to do much theorizing either about its ends or means.

This book proposes two kinds of questions: one takes into account the scientific area of the firm and is answerable only by a definition of what the corporation is and what functions it actually performs. The other question falls into the normative area and can be answered only in terms of preferred values; it asks what the corporation should be.

In an attempt to shed some new light on these challenging questions, Mr. Eells sets up two conceptual "models" of the modern corporation. At one extreme, the corporation is viewed as nothing more than the organizational arm of its stockholding owners. In this context, profit-maximization, austerity in the use of resources and enhancement in the economic values allocated by the owners are the overriding objectives. A wider range of social purposes and objectives lies at the other extreme. From this point of view, the author describes his "metro-corporation"-a mother corporation-with a constellation of interest groups under its matriarchal wing. In this setting, professionally-trained managers endeavor to maintain a balance of interest among competing claimants and in the process become "socially responsible" for the welfare of all.

Thus, at one end of the corporate spectrum lies the traditional corporation with its concern for the "economic man" while at the other end is the metro-corporation with its concern for the "whole man." In between these extremes, Mr. Eells suggests a third model—the "well-tempered" corporation. To fulfill the requirements of this third model, an organization must be a viable one and one whose success is dependent upon an ability to maintain a certain equilibrium within a complex social environment.

This book provides much material that is both immediately useful and historically important. Students of business, whether in this country or abroad, will find it a worth-while commentary on the continuing search for the elusive but vital philosophy of business.

Francis J. Corrigan Saint Louis University THE CONCEPTS OF SIGMUND FREUD. By Bartlett H. Stoodley. Free Press, Glencoe, Ill., xii, 274 pp. \$6

Many years ago psychoanalyst Karen Horney in her book, New Ways in Psychoanalysis, questioned the biological basis of Freud's theory. This present study by the associate professor and chairman of the department of Sociology and Anthropology at Wellesley College was undertaken to explore the hypothesis that "the theory of Sigmund Freud is not biological theory in the sense and to the degree that has been supposed." By biological theory the author refers to the view that holds that gross somatic processes, ontogenetic or phylogenetic, are decisively involved in psychic phenomena. Freud's theory started as biological theory pure and simple. And it is quite clear that Freud was never unequivocally convinced in his own mind that it ceased to be biological theory. Freud depended on the biological frame of reference for his own scien-"security." His concepts, therefore, retained their biological flavor long after they had lost their strict biological reference.

"Freud sensed very early that there was a strong input in personality coming from outside the organism—from interpersonal experience. He tried, long and brilliantly, to take account of this interpersonal experience without radical change in this frame of reference." The author, on the other hand, has made it explicit and has indicated what changes in Freud's thought he thinks such experience requires. He hopes these suggestions may throw some light on the interrelations of that important triumvirate—culture, social organization and personality.

The author wants it clearly known that his book is a study of a system of changing theory, not a study of psychoanalytic technique nor a critique of psychotherapy. He has no idea which period of Freud's thought is most useful to the practitioner of psychoanalysis but he has strong convictions that Freud's last period is the most fruitful for personality theory; it was the most valiant, too, as Freud, with unfailing insight, tried to correct the recurrent weaknesses in his theory.

The book has been arranged into three large sections for the reader who does not have a detailed familiarity with Freud's work. The "expert," however, will find that

the concluding chapter presents a full summary of the implications for personality theory that have been developed.

The three large sections of the book are entitled "Somatic Reduction," "Structure of the Mind," and "Social Structure—the Mind," divisions which correspond to the three stages of Freudian thought. Freud thought rather consistently within the limits of an organic frame of reference. He thus committed himself to the proposition that a satisfactory system of concepts could be worked out within the limits of the organism as such. Other factors would then operate on the "system" in the form of conditions. Freud was strongly inclined to reject causative sequences that appeared to lead in the direction of these "conditions."

The first stage of Freud's thought, "somatic reduction," involved a number of substages that reflect the various views he experimented with in testing concepts based on the "objective" order of data, i.e. somatic events and their relation to personality process, especially the deep Freudian concern with the relation between personality and sexual somatic excitation. However, insuperable difficulties were encountered. Mental events were rich and varied in their manifestations and these manifestations could not be paralleled by equivalent somatic states, so Freud proceeded to a more sophisticated conceptualization of mental events through the creation of his famous categories, the Unconscious, the Preconscious, and the Conscious. But this system did not work either. Freud had extreme difficulty in explaining resistance or the censor.

The second period of Freud's thought, "structure of the mind," was dominated by his "libido theory." Personality process was to be largely explained by the behavior of energy rising out of somatic excitation and flowing either in the direction of external objects or onto the ego. The dominant variable was libidinal energy. Its amounts were considered decisive in personality proceedings. But Freud's introduction of the egoideal (internalized general principles of action) gave the coup de grace to libido theory. In general Freud's systematic theory at this time proved unsatisfactory in that (a) it failed to take into account a sufficiently wide segment of human behavior; (b) it failed to make clear the relations between the two categories, the ego and the unconscious; and (c) it was unable to

demonstrate the usefulness of a libidinalquantitative approach to ego dynamics.

In the third period, "somatic structure—the mind," somewhat arbitrarily set at the time of publication of *Beyond the Pleasure Principle* in 1920, Freud addressed himself to the following problems:

1. What is the "instinctual" basis for "ego-ideal" type of motivation? This inquiry led to the formulation of repetitioncompulsion and, finally, to the assumption of the life and death instincts. Although the specific concepts produced to deal with social motivation were not integrated in Freud's thought and, although the assumptions of aim-inhibited instincts arising from social situations were far from satisfactory, nevertheless Freud's concepts, taken together, greatly enlarged the field of social motivation that was open for theoretical consideration. For instance, Eros constituted a decided advance in the consideration of social motivation; by means of it the outgoing "altruistic" behavior of individuals was granted a legitimate and qualitatively distinct place in Freud's thought. Freud went on to postulate an Eros not only in the individual but also in society. Observes the author: "To the sociologist this must remain as one of his greatest insights for it is suggested that the outgoingness of the individual was not based on organic facts but on the influence of another Eros: the cultural system and the interpersonal experience of the individual in this system."

2. In what manner shall we account for the phenomenon of repression? Freud did not come to a completely clear statement of his position but indicated a strong tendency to explain repression in terms of the mutual give and take between the various levels of mental activity.

3. What are the theoretically tenable "divisions of the mind?" This problem was explored to considerable depth in The Ego and the Id. This work represents a determined attempt to do away with topological commitments. The solution suggested by Freud was a new regionalism and one which was better founded both empirically and theoretically. The new region consisted of the "coherent ego." This coherent ego was not a phylogenetic mechanism but an association of similar psychic "formations" resulting from the interaction of the mind with its internal and external environment.

It was a product of one's living and not of the living of one's ancestors in some primal past. It made of the ego not only a "body" ego, not only a libidinal ego, but also an experimental ego. It made not a primal ego but a present ego and it indicated that not only the content of the ego but its very principle of organization depend in part on its internal dynamics and in part on the environmental forces, including the social, that impinged upon this system.

Dr. Stoodley looks upon Freud as a stubborn genius; he himself is to be heartily congratulated for stubbornly following the path of this genius in a superb Sherlock Holmesian way and in pointing out clearly the steady advance of the genius despite many wanderings into false directions.

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BEYOND THE WELFARE STATE. By Gunnar Myrdal. Yale University Press, New Haven, 288 pp. \$4.50

For most of us Gunnar Myrdal's Sweden and the other Scandinavian nations represent an incomprehensible melange of Socialism and cooperatives, of State intervention coupled with a high degree of initiative, self-responsibility, civic sense and political unity. In these countries one finds a very highly developed Welfare State along with interest groups somehow reconciling their demands with the requirements of economic stability. How, we ask ourselves, do the Swedes manage this?

Sweden's distinguished political scientist does not address himself ex professo to this question. What he presents in this series of Storrs lectures, delivered at Yale in 1958, is a general study of economic planning and its international implications. But the optimism he evinces about planning and welfarism stems evidently from experience in his homeland.

Part Two of his book is concerned with the international scene and repeats much of the ground Myrdal covered in two of his other books, An International Economy and Economic Theory and Underdeveloped Regions. In substance his theme is that, while the modern welfare states of Europe and North

America have pushed their national interest in full employment, prosperity and social benefits, a narrow spirit of economic nationalism caused them to ignore the consequences for the world beyond their own doors. The consequence has been international disintegration developing pari passu with national integration. Mr. Myrdal appeals for a new international order, indeed, for a World Welfarism; with considerable adeptness he shows the possibilities of reconciling a planned international economic order with national interests.

Part One can be summarized in three propositions: 1. All the rich Western states have adopted planning, that is, they are organizational or welfare states. 2. This development is all to the good. 3. One bad feature of the development has been the economic nationalism mentioned above.

If one ignores labels, notably that of the Welfare State, one must surely accept Myrdal's first proposition. As an historical development, the organization of the states to effect economic development, social security, full employment, minimum standards of income, health and education, have been a response to three factors: 1. widening demand for fuller sharing in the nation's wealth as a result of extended suffrage; 2. a more rational outlook on the part of people which both demanded and made possible welfare organization; 3. the abandonment of the market as the unique determinant of income distribution and the like. The market has been superseded at the political level by organized group negotiation with the state setting limits and enforcing the rules of political bargaining. This latter development has reached its fullest realization in Scandinavia but it is a notable feature of all European economies.

And yet all these interventions by the state, taken in response to this political demand have been, largely, haphazard and directed to partial objectives without any overall directing goal or strategy. What is needed, if such intervention is to be fully rational, is planning. And here we come to Myrdal's second proposition. We need not fear this planning. Indeed, it is on several grounds—tested grounds, witness Scandinavia—a good thing. As the Welfare State progresses, more and more citizens begin to feel a sense of belonging, of possessing a stake in public order. Equality and brother-

hood advance. But so does liberty. True, there is some initial loss of free initiative and free work. But such restrictions are not felt in a "social process in the steering of which people felt they played a part."

The stage is reached when, as in Scandinavia, the state can turn back to the people more and more responsibility for the administration and, through representation, for the planning itself. At present, the Welfare State plans fuller participation at lower levels, the province and community level, private business, the cooperatives and effective interest organizations. Here the state confines itself to activating public opinion, providing policy structure and rules, and balancing bargaining strength. Myrdal believes that the Scandinavian experience is convincing that governments will decentralize and that people will respond.

For the successful operation of such decentralization he relies largely on countervailing power together with rational negotiation. Negotiation forces the bargainers to recognize what their real wants are and what will be the real costs of obtaining them.

Looking on this exposition as a theory of the state there is a good deal to be questioned. How does one get order out of power, however well countervailed, if there be no principle of order? How reliable is negotiation when the sole acknowledged principle is self-interest? How can there be a public consensus if there be no agreement about ultimate ends and values and the very nature of society? Surely, too, we are rightly disturbed about such a large proportion of income passing through the hands of the government with the consequent tieing of everyone's fate to an income stream which so depersonalizes the productive effort which created it.

Moreover, one must not confuse Myrdal's negotiating groups with the natural communities of Quadragesimo Anno in which all, irrespective of their market place position as givers or receivers of work, are united by reason of their social function as producers of some goods or service. For the occupational groups, while giving full scope to legitimate strata interests of workers or employers, exist to serve the common interest of their particular occupation and the wider common good through their functional contribution. But these questions are provoked

by the theoretical base of Myrdal's social structures. What must amaze all readers is the astonishing propinquity in practice of Myrdal's model states to Catholic conceptions of a properly structured social order. Clearly, we need to know much more about Scandinavia.

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A SOCIAL HISTORY OF THE AMERICAN FAMILY: Vol. I, Colonial Period; Vol. II, From Independence Through the Civil War; Vol. III, From 1865 to 1919. By Arthur W. Calhoun. Barnes & Noble, New York, 400, 443, 411 pp. \$1.75 per volume.

This latest addition to the University Paperbacks series makes available a work that at its first publication (1917-1919) was regarded as something of a classic. Gleaning his ample material from many hitherto unused sources, Calhoun produced a social history of the family that after 40 years still fascinates the reader with its apt quotations and flashes of humor. There are indications that the author's socialistic presuppositions inclined him to regard the family as primarily the product of social forces rather than as a relatively sturdy institution capable of achieving its major goals under widely disparate conditions. Modern students of the family will find the final chapter of Volume III, "The Family and the Social Revolution," of particular interest, since they are now in position to evaluate the author's somewhat sanguine predictions for the future of the family and society in the sober light of subsequent events.

STATE CAPITALISM IN THE ECON-OMY OF THE UNITED STATES. By Paul K. Crosser. Bookman Associates, New York. 158 pp. \$4

It has been long recognized that the reality of the American state and economy cannot be accurately conveyed by designating it capitalism, as that term was used in the 19th and early 20th centuries. Dr. Crosser calls the reality State Capitalism. He fervently believes that the old conceptualizations of state and economy are mis-

leading and so proposes new ones. His theory refers to state capitalist practice in substance as "privatization of fiscal funds" and state capitalist practice in form as the "utilization of public controls by either business or labor groups."

The criterion for judging the worth of a heterodox theory of this kind is whether the insights into understanding and the power for dealing with current problems outweigh the added burden of new concepts and terminology. Dr. Crosser's contribution does not come up to this standard for me. I find the orthodox or standard terminology of current economic thought adequate for dealing with "privatization of fiscal funds." I also find no difficulties with standard treatments of "utilization of public controls" by organized economic groups that Dr. Crosser's theory would obviate. All this does not mean that the author's work is incompetent but that a particularly rigorous standard for heterodoxy has been set in recent years by the outstanding books of Peter Drucker, Kenneth Boulding and I. K. Galbraith.

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